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# APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

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## HEARINGS

BEFORE THE

## COMMITTEE ON PUBLIC WORKS

## UNITED STATES SENATE

EIGHTY-NINTH CONGRESS

FIRST SESSION

ON

**S. 3**

A BILL TO PROVIDE PUBLIC WORKS AND ECONOMIC DEVELOPMENT PROGRAMS AND THE PLANNING AND COORDINATION NEEDED TO ASSIST IN DEVELOPMENT OF THE APPALACHIAN REGION

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JANUARY 19 AND 21, 1965

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Printed for the use of the Committee on Public Works



U.S. GOVERNMENT PRINTING OFFICE

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# APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

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TUESDAY, JANUARY 19, 1965

U.S. SENATE,  
COMMITTEE ON PUBLIC WORKS,  
*Washington, D.C.*

The committee met at 10 a.m., pursuant to call, in room 4200, Senate Office Building, Senator Jennings Randolph presiding.

Present: Senators Randolph, Montoya, Cooper, and Fong.

Also present: Ron M. Linton, chief clerk and staff director; Richard E. Gerrish, assistant chief clerk; and Richard B. Royce, professional staff member.

Senator RANDOLPH. Good morning, ladies and gentlemen. In order to eliminate any misconceptions regarding these hearings, I draw your attention to the fact that the hearings are conducted by the full Committee on Public Works, not a subcommittee, as has occasionally been reported. Senator Pat McNamara, of Michigan, the distinguished chairman of the committee, has requested me, as the ranking member of the majority on the committee, to conduct the hearings on S. 3. This was the procedure last year and is being continued this year, so, for the record, we desire you to know that a subcommittee is not hearing this legislation, but the Committee on Public Works this year, as last year, is in the process of considering this legislation.

At the outset, it is our desire to have the record reflect that the very able member of this committee, Senator Caleb Boggs, of Delaware, has written a letter indicating that he would be present, except that he is in his own State today attending the inaugural ceremonies of the Governor of Delaware.

At this point I might also mention that yesterday I attended the inaugural ceremonies of the Governor of West Virginia, and we had one of the heaviest snowstorms that we have had in the Charleston area for many years. Even though travel was most difficult and weather conditions were most adverse, there were many thousands of persons who gathered in an almost blinding snowstorm to attend those important ceremonies.

I believe it is significant not that a new Governor comes in, but that people are intensely interested in public affairs. Regardless of conditions, they commit themselves to certain ceremonies which go with the inauguration of the Governors of our respective States.

This morning the Public Works Committee opens its hearings on S. 3. This measure has been designated as the Appalachian Regional Development Act of 1965.



(S. 3 follows:)

[S. 3, 89th Cong., 1st sess.]

A BILL To provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act may be cited as the "Appalachian Regional Development Act of 1965".

#### FINDINGS AND STATEMENT OF PURPOSE

SEC. 2. The Congress hereby finds and declares that the Appalachian region of the United States, while abundant in natural resources and rich in potential, lags behind the rest of the Nation in its economic growth and that its people have not shared properly in the Nation's prosperity. The region's uneven past development, with its historical reliance on a few basic industries and a marginal agriculture, has failed to provide the economic base that is a vital prerequisite for vigorous, self-sustaining growth. The State and local governments and the people of the region understand their problems and have been working and will continue to work purposefully toward their solution. The Congress recognizes the comprehensive report of the President's Appalachian Regional Commission documenting these findings and concludes that regionwide development is feasible, desirable, and urgently needed. It is, therefore, the purpose of this Act to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis. The public investments made in the region under this Act shall be concentrated in areas where there is the greatest potential for future growth, and where the expected return on public dollars invested will be the greatest. The States will be responsible for recommending local and State projects, within their borders, which will receive assistance under this Act. As the region obtains the needed physical and transportation facilities and develops its human resources, the Congress expects that the region will generate a diversified industry, and that the region will then be able to support itself, through the workings of a strengthened free enterprise economy.

#### TITLE I—THE APPALACHIAN REGIONAL COMMISSION

##### MEMBERSHIP AND VOTING

SEC. 101. (a) There is hereby established an Appalachian Regional Commission (hereinafter referred to as the "Commission") which shall be composed of one Federal member, hereinafter referred to as the "Federal Cochairman", appointed by the President by and with the advice and consent of the Senate, and one member from each participating State in the Appalachian region. The Federal Cochairman shall be one of the two Cochairmen of the Commission. Each State member may be the Governor, or his designee, or such other person as may be provided by the law of the State which he represents. The State members of the Commission shall elect a Cochairman of the Commission from among their number.

(b) Except as provided in section 105, decisions by the Commission shall require the affirmative vote of the Federal Cochairman and of a majority of the State members (exclusive of members representing States delinquent under section 105). In matters coming before the Commission, the Federal Cochairman shall, to the extent practicable, consult with the Federal departments and agencies having an interest in the subject matter.

(c) Each State member shall have an alternate, appointed by the Governor or as otherwise may be provided by the law of the State which he represents. The President, by and with the advice and consent of the Senate, shall appoint an alternate for the Federal Cochairman. An alternate shall vote in the event of the absence, death, disability, removal, or resignation of the State or Federal representative for which he is an alternate.

(d) The Federal Cochairman shall be compensated by the Federal Government at level IV of the Federal Executive Salary Schedule of the Federal Executive Salary Act of 1964. His alternate shall be compensated by the Federal Government at not to exceed the maximum scheduled rate for grade GS-18



of the Classification Act of 1949, as amended, and when not actively serving as an alternate for the Federal Cochairman shall perform such functions and duties as are delegated to him by the Federal Cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by the law of such State.

#### FUNCTIONS OF THE COMMISSION

SEC. 102. In carrying out the purposes of this Act, the Commission shall—

(1) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

(2) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

(3) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region;

(4) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation;

(5) encourage the formation of local development districts;

(6) encourage private investment in industrial, commercial, and recreational projects;

(7) serve as a focal point and coordinating unit for Appalachian programs;

(8) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences; and

(9) advise the Secretary of Commerce on applications for grants for administrative expenses to local development districts.

#### RECOMMENDATIONS

SEC. 103. The Commission may, from time to time, make recommendations to the President and to the State Governors and appropriate local officials with respect to—

(1) the expenditure of funds by Federal, State, and local departments and agencies in the region in the fields of natural resources, agriculture, education, training, health and welfare, and other fields related to the purposes of this Act; and

(2) such additional Federal, State, and local legislation or administrative actions as the Commission deems necessary to further the purposes of this Act.

#### LIAISON BETWEEN FEDERAL GOVERNMENT AND THE COMMISSION

SEC. 104. The President shall provide effective and continuing liaison between the Federal Government and the Commission and a coordinated review within the Federal Government of the plans and recommendations submitted by the Commission pursuant to sections 102 and 103.

#### ADMINISTRATIVE EXPENSES OF THE COMMISSION

SEC. 105. (a) For the period ending on June 30 of the second full Federal fiscal year following the date of enactment of this Act, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid equally by the Federal Government and the States in the region. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

(b) Not to exceed \$2,200,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.



## ADMINISTRATIVE POWERS OF COMMISSION

SEC. 106. To carry out its duties under this Act, the Commission is authorized to—

(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions.

(2) appoint and fix the compensation of an executive director and such other personnel as may be necessary to enable the Commission to carry out its functions, except that such compensation shall not exceed the salary of the alternate to the Federal Cochairman on the Commission as provided in section 101. No member, alternate, officer, or employee of the Commission, other than the Federal Cochairman on the Commission and his alternate and Federal employees detailed to the Commission under paragraph

(3) shall be deemed a Federal employee for any purpose.

(3) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the Commission such personnel within his administrative jurisdiction as the Commission may need for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status.

(4) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency.

(5) make arrangements, including contracts, with any participating State government for inclusion in a suitable retirement and employee benefit system of such of its personnel as may not be eligible for, or continue in, another governmental retirement or employee benefit system, or otherwise provide for such coverage of its personnel. The Civil Service Commission of the United States is authorized to contract with the Commission for continued coverage of Commission employees, who at date of Commission employment are Federal employees, in the retirement program and other employee benefit programs of the Federal Government.

(6) accept, use, and dispose of gifts or donations of services or property, real, personal, or mixed, tangible or intangible.

(7) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

(8) maintain a temporary office in the District of Columbia and establish a permanent office at such location as it may select and field offices at such other places as it may deem appropriate.

(9) take such other actions and incur such other expenses as may be necessary or appropriate.

## INFORMATION

SEC. 107. In order to obtain information needed to carry out its duties, the Commission shall—

(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable, a Cochairman of the Commission, or any member of the Commission designated by the Commission for the purpose, being hereby authorized to administer oaths when it is determined by the Commission that testimony shall be taken or evidence received under oath;

(2) arrange for the head of any Federal, State, or local department or agency (who is hereby so authorized to the extent not otherwise prohibited by law) to furnish to the Commission such information as may be available to or procurable by such department or agency; and

(3) keep accurate and complete records of its doings and transactions which shall be made available for public inspection.

## PERSONAL FINANCIAL INTERESTS

SEC. 108. (a) Except as permitted by subsection (b) hereof, no State member or alternate and no officer or employee of the Commission shall participate personally and substantially as member, alternate, officer, or employee, through decision, approval, disapproval, recommendation, the rendering of advice, in-



vestigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization (other than a State or political subdivision thereof) in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Any person who shall violate the provisions of this subsection shall be fined not more than \$10,000, or imprisoned not more than two years, or both.

(b) Subsection (a) hereof shall not apply if the State member, alternate, officer, or employee first advises the Commission of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by the Commission that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Commission may expect from such State member, alternate, officer, or employee.

(c) No State member or alternate shall receive any salary, or any contribution to or supplementation of salary for his services on the Commission from any source other than his State. No person detailed to serve the Commission under authority of paragraph (4) of section 106 shall receive any salary or any contribution to or supplementation of salary for his services on the Commission from any source other than the State, local, or intergovernmental department or agency from which he was detailed or from the Commission. Any person who shall violate the provisions of this subsection shall be fined not more than \$5,000, or imprisoned not more than one year, or both.

(d) Notwithstanding any other subsection of this section, the Federal Co-chairman and his alternate on the Commission and any Federal officers or employees detailed to duty with it pursuant to paragraph (3) of section 106 shall not be subject to any such subsection but shall remain subject to sections 202 through 209 of title 18, United States Code.

(e) The Commission may, in its discretion, declare void and rescind any contract, loan, or grant of or by the Commission in relation to which it finds that there has been a violation of subsection (a) or (c) of this section, or any of the provisions of sections 202 through 209, title 18, United States Code.

## TITLE II—SPECIAL APPALACHIAN PROGRAMS

### PART A—NEW PROGRAMS

#### APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

SEC. 201. (a) The Secretary of Commerce (hereafter in this section referred to as the "Secretary") is authorized to assist in the construction of an Appalachian development highway system serving the Appalachian region (not to exceed a total of three thousand three hundred and fifty miles in length of which total not to exceed one thousand miles shall be local access roads that will serve specific recreational, residential, commercial, industrial, or other like facilities or will facilitate a school consolidation program). The system, in conjunction with the Interstate System and other Federal-aid highways in the region will provide a highway system which will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access. (The provisions of title 23, United States Code, that are applicable to Federal-aid primary highways, and which the Secretary determines are not inconsistent with this Act, shall apply to the Appalachian development highway system.

(b) As soon as feasible, the Commission shall submit to the Secretary its recommendations with respect to (1) the general corridor location and termini of the development highways, (2) the designation of local access roads to be constructed, (3) priorities for construction of the local access roads and of the major segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such recommendations, he shall have obtained the recommendations of the State highway department of the State which he represents.

(c) The Secretary shall have authority to approve in whole or in part such recommendations or to require modifications or revisions thereof. In no event shall the Secretary approve any recommendations for any construction which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriation authorizations in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and shall be required to be maintained by the State.

(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of mineral resource materials indigenous to the Appalachian region.

(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Secretary determines, pursuant to the recommendation of the Commission, that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

(g) To carry out this section, there is hereby authorized to be appropriated \$840,000,000.

#### DEMONSTRATION HEALTH FACILITIES

SEC. 202. (a) In order to demonstrate the value of adequate health and medical facilities to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction, equipment, and operation of multicounty demonstration health facilities, including hospitals, regional health diagnostic and treatment centers, and other facilities necessary to health. Grants for such construction (including initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291-291z) and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), without regard to any provisions therein relating to appropriation authorization ceiling or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) No grant under this section for construction (including initial equipment) shall exceed 80 per centum of the cost of the project. Not to exceed \$41,000,000 of the funds authorized in section 401 shall be available for construction grants under this section.

(c) Grants under this section for operation (including equipment other than initial equipment) of a project may be made up to 100 per centum of the costs thereof for the two-year period beginning on the first day such project is in operation as a health facility. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grants for operation of a project shall be made after five years following the commencement of such operations. Not to exceed \$28,000,000 of the funds authorized in section 401 of this Act shall be available for operating grants under this section.

#### LAND IMPROVEMENT AND EROSION CONTROL

SEC. 203. (a) In order to promote the conservation and fuller utilization of the region's important land and water resources, the Secretary of Agriculture is authorized to make grants to landowners to assist in the improvement and development of land for pasture and erosion control in the region. Grants to any landowner under this section shall not exceed 80 per centum of the cost of improving and developing twenty-five acres of land owned by such landowner. Such improvement and development of land shall be carried out under the provisions of an agreement to be entered into by the landowner and the Secretary of Agriculture, for such period not to exceed ten years as the Secretary may determine, which shall include such terms and conditions as the Sec-



retary may deem necessary to effectuate the purposes of this section and to assure that such improvement and development of land will be properly established, and adequately maintained during the period of agreement, in accordance with technically sound standards and procedures.

(b) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service, and the State and local committees provided for in section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(b)), and is authorized to utilize the facilities, services, and authorities of the Commodity Credit Corporation. The Corporation shall not make any expenditures to carry out the provisions of this subsection unless funds specifically appropriated for such purpose have been transferred to it.

(c) Not to exceed \$17,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### TIMBER DEVELOPMENT ORGANIZATIONS

SEC. 204. (a) In order that the region shall more fully benefit from the timber stands that are one of its prime assets, the Secretary of Agriculture is authorized to—

(1) provide technical assistance in the organization and operation, under State law, of private timber development organizations having as their objective the carrying out of timber development programs to improve timber productivity and quality, and increase returns to landowners through establishment of private nonprofit corporations, which on a self-supporting basis may provide (A) continuity of management, good cutting practices, and marketing services, (B) physical consolidation of small holdings or administrative consolidation for efficient management under long-term agreement, (C) management of forest lands, donated to the timber development organizations for demonstrating good forest management, on a profitable and taxpaying basis, and (D) establishment of a permanent fund for perpetuation of the work of the corporations to be composed of donations, real or personal, for educational purposes.

(2) provide not more than one-half of the initial capital requirements of such timber development organizations through loans under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1926 et seq.). Such loans shall not be used for the construction or acquisition of facilities for manufacturing, processing, or marketing forest products.

(b) Not to exceed \$5,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section..

#### MINING AREA RESTORATION

SEC. 205. (a) In order to further the economic development of the region by rehabilitating areas presently damaged by deleterious mining practices, the Secretary of the Interior is authorized to—

(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines in accordance with the provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formations, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act.

(2) plan and execute projects for extinguishing underground and out-crop mine fires in the region in accordance with the provisions of the Act of August 31, 1954 (30 U.S.C. 551 et seq.), without regard to any provisions therein relating to annual appropriation authorization ceilings. Grants under this paragraph shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act.

(3) expand and accelerate fish and wildlife restoration projects in the region in accordance with the provisions of the Act of September 2, 1937 (16 U.S.C. 669 et seq.), and the Act of August 9, 1950 (16 U.S.C. 777 et seq.), without regard to any provisions therein relating to apportionments among the States and to limitations on the availability of funds. The expenses of projects under this paragraph shall be paid solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be

taken into account in the computation of the apportionments among the States pursuant to any other provisions of law.

(b) For the fiscal years 1966 and 1967, notwithstanding any other provision of law, the Federal share of mining area restoration projects carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. Strip mine restoration projects shall be carried out only on lands, public or private, on which there is provided access and use by the public to assure an adequate public benefit.

(c) The Congress hereby declares its intent to provide for a study of a comprehensive, long-range program for the purpose of reclaiming and rehabilitating strip and surface mining areas in the United States. To this general end, the Secretary of the Interior shall, in full cooperation with the Secretary of Agriculture, the Tennessee Valley Authority, and other appropriate Federal, State, and local departments and agencies, and with the Commission, make a survey and study of strip and surface mining operation and their effects in the United States. The Secretary of the Interior shall submit to the President his recommendations for a long-range comprehensive program for reclamation and rehabilitation of strip and surface mining areas in the United States and for the policies under which the program should be conducted, and the President shall submit these to the Congress, together with his recommendations, not later than July 1, 1967. By July 1, 1966, the Secretary shall make an interim report to the Commission summarizing his findings to that date on those aspects of strip and surface mining operations in the region that are most urgently in need of attention. Such study and recommendations shall include, but not be limited to, a consideration of the following matters—

(1) the nature and extent of strip and surface mining operations in the United States and the conditions resulting therefrom;

(2) the ownership of the real property involved in strip and surface mining operations;

(3) the effectiveness of past action by States or local units of government to remedy the adverse effects of strip and surface mining operation by financial or regulatory measures, and requirements for appropriate State legislation, including adequate enforcement thereof, to provide for proper reclamation and rehabilitation of areas which may be strip and surface mined in the future;

(4) the public interest in and public benefits which may result from reclamation, rehabilitation, and appropriate development and use of areas subjected to strip and surface mining operations, including (A) economic development growth, (B) public recreation, (C) public health and safety, (D) water pollution, stream sedimentation, erosion control, and flood control, (E) highway programs, (F) fish and wildlife protection and restoration, (G) scenic values, and (H) forestry and agriculture;

(5) the appropriate roles of Federal, State, and private interests in the reclamation and rehabilitation of strip and surface mining areas and the relative costs to be borne by each, including specific consideration of (A) the extent, if any, to which strip and surface mine operators are unable to bear the cost of remedial action within the limits imposed by the economics of such mining activity, and (B) the extent to which the prospective value of lands and other natural resources, after remedial work has been completed, would be inadequate to justify the landowners doing the remedial work at their expense; and

(6) the objectives and the total overall costs of a program for accomplishing the reclamation and rehabilitation of existing strip and surface mining areas in the United States, giving adequate consideration to (A) the economic benefits in relation to costs, (B) the prevention of future devastation of reclaimed and rehabilitated areas, (C) the avoidance of unwarranted financial gain to private owners of improved property, and (D) the types of aid required to accomplish such reclamation and rehabilitation.

(d) Not to exceed \$21,500,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### WATER RESOURCE SURVEY

SEC. 206. (a) The Secretary of the Army is hereby authorized and directed to prepare a comprehensive plan for the development and efficient utilization of the water and related resources of the Appalachian region, giving special atten-



tion to the need for an increase in the production of economic goods and services within the region as a means of expanding economic opportunities and thus enhancing the welfare of its people, which plan shall constitute an integral and harmonious component of the regional economic development program authorized by this Act.

(b) This plan may recommend measures for the control of floods, the regulation of the rivers to enhance their value as sources of water supply for industrial and municipal development, the generation of hydroelectric power, the prevention of water pollution by drainage from mines, the development and enhancement of the recreational potentials of the region, the improvement of the rivers for navigation where this would further industrial development at less cost than would the improvement of other modes of transportation, the conservation and efficient utilization of the land resource, and such other measures as may be found necessary to achieve the objectives of this section.

(c) To insure that the plan prepared by the Secretary of the Army shall constitute a harmonious component of the regional program, he shall consult with the Commission and the following: the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Health, Education, and Welfare, the Secretary of the Interior, the Tennessee Valley Authority, and the Federal Power Commission.

(d) The plan prepared pursuant to this section shall be submitted to the Commission. The Commission shall submit the plan to the President with a statement of its views, and the President shall submit the plan to the Congress with his recommendations not later than December 31, 1968.

(e) The Federal agencies referred to in subsection (c) of this section are hereby authorized to assist the Secretary of the Army in the preparation of the plan authorized by this section, and the Secretary of the Army is authorized to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to the preparation of this plan and on such terms as he may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

(f) The plan to be prepared by the Secretary of the Army pursuant to this section shall also be coordinated with all comprehensive river basin plans heretofore or hereafter developed by United States study commissions, interagency committees, or similar planning bodies, for those river systems draining the Appalachian region.

(g) Not to exceed \$5,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

## PART B—SUPPLEMENTATIONS AND MODIFICATIONS OF EXISTING PROGRAMS

### VOCATIONAL EDUCATION FACILITIES

SEC. 211. (a) In order to provide basic facilities to give the people of the region the training and education they need to obtain employment, the Secretary of Health, Education, and Welfare is authorized to make grants for construction of the school facilities needed for the provision of vocational education in areas of the region in which such education is not now adequately available. Such grants shall be made in accordance with the provisions of the Vocational Education Act of 1963 (77 Stat. 403), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) Not to exceed \$16,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

### SEWAGE TREATMENT WORKS

SEC. 212. (a) In order to provide facilities to assist in the prevention of pollution of the region's streams and to protect the health and welfare of its citizens, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction of sewage treatment works in accordance with the provisions of the Federal Water Pollution Control Act (33 U.S.C. 466 et seq.), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be

made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States pursuant to any other provision of law.

(b) Not to exceed \$6,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### AMENDMENTS TO HOUSING ACT OF 1954

SEC. 213. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking the word "and" at the end of paragraph (7), by substituting for the period at the end of paragraph (8) the phrase "; and", and by adding a new paragraph (9) to read as follows:

"(9) the Appalachian Regional Commission, established by the Appalachian Regional Development Act of 1965, for comprehensive planning for the Appalachian region as defined by section 403 of such Act."

(b) Section 701(b) of the Housing Act of 1954 (40 U.S.C. 461(b)), is amended by adding before the period at the end of the first sentence the following: ", or to the Appalachian Regional Commission".

#### SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary of Commerce is authorized, pursuant to specific recommendations of the Commission approved by him and after consultation with the appropriate Federal officials, to allocate funds appropriated to carry out this section to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of such Federal grant-in-aid programs. Funds so allocated shall be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such project otherwise authorized by the applicable law. Funds shall be so allocated for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Such allocations shall be available without regard to any appropriation authorization ceilings in such Act.

(b) The Federal portion of such costs shall not be increased in excess of the percentages established by regulations promulgated by the Secretary of Commerce, and such regulations shall in no event authorize the Federal portion of such costs to exceed 80 per centum thereof.

(c) The term "Federal grant-in-aid programs" as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other Federal grant-in-aid programs authorized on or before the effective date of this Act by Acts other than this Act for the acquisition of land and the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; and Water Conservation Fund Act of 1965. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

(d) Not to exceed \$90,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### PART C—GENERAL PROVISIONS

##### MAINTENANCE OF EFFORT

SEC. 221. No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds, exclusive of Federal funds, for the benefit of the area within the State located in the region are maintained at a level which does not fall below the



average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act. In computing the average level of expenditure for its last two fiscal years, a State's past expenditure for participation in the National System of Interstate and Defense Highways shall not be included. The Commission shall recommend to the President or such Federal officer or officers as the President may designate, a lesser requirement when it finds that a substantial population decrease in that portion of a State which lies within the region would not justify a State expenditure equal to the average level of the last two years or when it finds that a State's average level of expenditure, within an individual program, has been disproportionate to the present need for that portion of the State which lies within the region.

#### CONSENT OF STATES

SEC. 222. Nothing contained in this Act shall be interpreted as requiring any State to engage in or accept any program under this Act without its consent.

#### PROGRAM IMPLEMENTATION

SEC. 223. A program authorized under any section of this title shall not be implemented until (1) the Commission has consulted with the appropriate official or officials concerned with such program as may be designated by the Governor or Governors of the State or States involved and has obtained the recommendations of such official or officials with respect to such program and (2) plans with respect to such program have been recommended by the Commission and have been submitted to and approved or modified by the President or such Federal officer or officers as the President may designate.

#### PROGRAM DEVELOPMENT CRITERIA

SEC. 224. (a) In developing recommendations on the programs and projects to be given assistance under this Act, and in establishing within those recommendations a priority ranking of the requests for assistance presented to the Commission, the Commission shall follow procedures that will insure consideration of the following factors:

(1) the relationship of the project or class of projects to overall regional development including its location in an area determined by the State to have the greatest potential for growth;

(2) the population and area to be served by the project or class of projects including the relative per capita income and the unemployment rates in the area;

(3) the relative financial resources available to the State or political subdivisions or instrumentalities thereof which seek to undertake the project;

(4) the importance of the project or class of projects in relation to other projects or classes of projects which may be in competition for the same funds;

(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic and social development of the area served by the project.

(b) Nothing in this Act shall authorize any assistance under this Act to be used (1) in relocating establishments from one area to another; (2) to finance the cost of industrial plants, commercial facilities, machinery, working capital; (3) to finance the cost of facilities for the generation, transmission, or distribution of electric energy; or (4) to finance the cost of facilities for the production, transmission, or distribution of gas (natural, manufactured, or mixed).

### TITLE III—ADMINISTRATION

#### LOCAL DEVELOPMENT DISTRICTS—CERTIFICATION

SEC. 301. For the purposes of this Act, a "local development district" shall be an entity certified to the Commission either by the Governor of the State or States in which such entity is located, or by the State officer designated by the appropriate State law to make such certification, as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region. No entity shall be

certified as a local development district for the purposes of this Act unless it is one of the following:

- (1) a nonprofit incorporated body organized or chartered under the law of the State in which it is located;
- (2) a nonprofit agency or instrumentality of a State or local government;
- (3) a nonprofit agency or instrumentality created through an interstate compact; or
- (4) a nonprofit association or combination of such bodies, agencies, and instrumentalities.

#### GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS

SEC. 302. (a) The Secretary of Commerce is authorized—

(1) either directly or through arrangements with the Commission, to make grants for administrative expenses to local development districts. The amount of any such grant shall not exceed 75 per centum of such expenses in any one fiscal year. No grants for administrative expenses shall be made to a local development district for a period in excess of three years beginning on the date the initial grant is made to such development district. The local contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

(2) either directly or through arrangements with appropriate public or private organizations (including the Commission), to provide funds for investigation, research, studies, and demonstration projects, but not for construction purposes, which will further the purposes of this Act.

(b) Not to exceed \$5,500,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### PROJECT APPROVAL

SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made only by a State, a political subdivision of a State, or a local development district. Each such application shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate such application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance by the Commission.

#### ANNUAL REPORT

SEC. 304. Not later than six months after the close of each fiscal year, the Commission shall prepare and submit to the Governor of each State in the region and to the President, for transmittal to the Congress, a report on the activities carried out under this Act during such year.

### TITLE IV—APPROPRIATIONS AND MISCELLANEOUS PROVISIONS

#### AUTHORIZATION OF APPROPRIATIONS

SEC. 401. In addition to the appropriations authorized in section 201 for the Appalachian development highway system, there is hereby authorized to be appropriated for the period ending June 30, 1967, to be available until expended, not to exceed \$237,200,000 to carry out this Act.

#### APPLICABLE LABOR STANDARDS

SEC. 402. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting and decorating, of projects, buildings, and works which are financially assisted through the Federal funds authorized under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to



such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

#### DEFINITION OF APPALACHIAN REGION

SEC. 403. As used in this Act, the term "Appalachian region" or "the region" means that area of the eastern United States consisting of the following counties (including any political subdivision located within such area):

In Alabama, the counties of Bibb, Blount, Calhoun, Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, De Kalb, Elmore, Etowah, Fayette, Franklin, Jackson, Jefferson, Lawrence, Limestone, Madison, Marion, Marshall, Morgan, Randolph, Saint Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, and Winston;

In Georgia, the counties of Banks, Barrow, Bartow, Carroll, Catoosa, Chattooga, Cherokee, Dade, Dawson, Douglas, Fannin, Floyd, Forsyth, Franklin, Gilmer, Gordon, Gwinnett, Habersham, Hall, Haralson, Heard, Jackson, Lumpkin, Madison, Murray, Paulding, Pickens, Polk, Rabun, Stephens, Towns, Union, Walker, White, and Whitfield;

In Kentucky, the counties of Adair, Bath, Bell, Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton, Cumberland, Elliott, Estill, Fleming, Floyd, Garrard, Green, Greenup, Harlan, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Lincoln, McCreary, Madison, Magoffin, Martin, Menifee, Monroe, Montgomery, Morgan, Owsley, Perry, Pike, Powell, Pulaski, Rockcastle, Rowan, Russell, Wayne, Whitley, and Wolfe;

In Maryland, the counties of Allegany, Garrett, and Washington;

In North Carolina, the counties of Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Davie, Forsyth, Graham, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey;

In Ohio, the counties of Adams, Athens, Belmont, Brown, Clermont, Gallia, Guernsey, Harrison, Highland, Hocking, Jackson, Jefferson, Lawrence, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross, Scioto, Vinton, and Washington;

In Pennsylvania, the counties of Allegheny, Armstrong, Beaver, Bedford, Blair, Bradford, Butler, Cambria, Cameron, Carbon, Centre, Clarion, Clearfield, Clinton, Columbia, Crawford, Elk, Erie, Fayette, Forest, Fulton, Greene, Huntingdon, Indiana, Jefferson, Juniata, Lackawanna, Lawrence, Luzerne, Lycoming, McKean, Mercer, Mifflin, Monroe, Montour, Northumberland, Perry, Pike, Potter, Schuylkill, Snyder, Somerset, Sullivan, Susquehanna, Tioga, Union, Venango, Warren, Washington, Wayne, Westmoreland, and Wyoming;

In South Carolina, the counties of Anderson, Cherokee, Greenville, Oconee, Pickens, and Spartanburg;

In Tennessee, the counties of Anderson, Bledsoe, Blount, Bradley, Campbell, Carter, Claiborne, Clay, Cocke, Coffee, Cumberland, De Kalb, Fentress, Franklin, Grainger, Greene, Grundy, Hamblen, Hamilton, Hancock, Hawkins, Jackson, Jefferson, Johnson, Knox, Loudon, McMinn, Macon, Marion, Meigs, Monroe, Morgan, Overton, Pickett, Polk, Putnam, Rhea, Roane, Scott, Sequatchie, Seiver, Smith, Sullivan, Unicoi, Union, Van Buren, Warren, Washington, and White;

In Virginia, the counties of Alleghany, Bath, Bland, Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd, Giles, Grayson, Highland, Lee, Pulaski, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe.

All the counties of West Virginia.

#### SEVERABILITY

SEC. 404. If any provision of this Act, or the applicability thereof to any person or circumstances, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

## TERMINATION

SEC. 405. This Act shall cease to be in effect on July 1, 1971.

Senator RANDOLPH. A companion measure, H.R. 4, has been presented in the other body by the chairman of the Public Works Committee, George Fallon, of Maryland.

As is known to the members of this committee, and also to the general public, the President of the United States has urged early congressional enactment of this bill. Our Senate majority leader, Mike Mansfield, has also assured that this measure will be given early attention in the Senate of the United States.

I say in the presence of the chief cosponsor of this legislation, Senator John Sherman Cooper, of Kentucky, and to those who are in our audience, that there are approximately 35 Members of the Senate who join in the sponsorship of this legislation. These Members are of both parties, and they represent States throughout the Nation. This is significant, and it is my conviction that it augurs well for early action in the Senate of the United States.

I wish especially this morning to welcome one of the new members to the committee, the Senator from New Mexico, Mr. Montoya, who has had experience in the House of Representatives for many terms, and will be a valuable addition to this committee.

We are appreciative also that Senator Fong, who retains his membership on the committee, is here at the beginning of our hearings today.

There are eight members of the committee who have signified that they will be present for either the opening of the hearings or will come in during the day.

Before I present our first witness, John Sweeney, I desire to make a very brief statement, and I assure you that it will be that.

Now, S. 3 is almost identical with S. 2782, which passed the Senate last year by a vote of 45 to 13. This was in the closing days, as my colleagues recall, of the 88th Congress.

The principal differences between the measure we shall consider in the 89th Congress and the legislation which was acted on favorably in the Senate in the 88th Congress are embodied in these changes:

In section 201, we have added 500 miles to the previous 500 miles in the category of local access roads. I would remind our committee and the members of the press, that the authorized funds for this section are not increased, but we have added 500 miles of local access roads, bringing the total development and access roads to 3,350 miles.

The second difference is in the modification of section 203 for land improvement and erosion control. This is embodied in the bill this year in lieu of the section that was deleted from S. 2782, during consideration in the Senate last year.

The third difference is a modified section 204 which would restrict the proposed timber development organization to nonprofit corporations.

I commend the U.S. Forest Service and the forest industries for their cooperative spirit, in attacking the problems of timber development in this area, and in their joint proposal of this section of the bill as a first step toward meeting some of these problems within the Appalachian region.



We have a panel of forest experts who will, I hope, further clarify this provision during our hearings this morning. This is an important part of the legislation.

I would digress a moment to point to the seeming paradox between the response of our Federal Government to a natural disaster and to the less dramatic but no less real economic disaster of some areas of the Nation. When a natural disaster strikes—a tornado or hurricane or flood or earthquake—the Government moves in within a matter of hours.

Yet the economic disasters of widespread and chronic unemployment and lag in economic growth require almost endless study and hearings and debate.

We have a disparity between the rate of economic growth for the Nation as a whole and the Appalachian region. This pending bill, which would authorize \$1,077 million, would provide Federal assistance for this region. I think that it will be an important first step to eliminate the disparity between the area and the general economic strength of the Nation.

The Appalachian program, I remind you, is the product of 4 years of study, and exhaustive thought and planning at the local, State, and the Federal levels. It was not conceived in the mind of a bureaucrat—and that would not make it wrong per se—but by the Conference of Appalachian Governors. These were the leaders who sought and received the assistance of the late and great President John Kennedy for the establishment of what has been known as the President's Appalachian Regional Commission.

This Commission presented its report to President Lyndon Johnson early in 1964, and President Johnson has repeatedly urged the enactment of this program. It is one of his first legislative recommendations for 1965.

I think that this bill embodies the hopes, in a sense the dreams, and certainly the aspirations of more than 15 million Americans who live in the Appalachian region. These people have dreams, and these people have visions. We in the Congress can help to bring these aspirations closer to fulfillment by enactment of this legislation.

Extraneous considerations, I hope, will not impede the early and affirmative action in the Congress on this measure.

I note the presence of Representative Ken Hechler, of the 4th District of West Virginia. I am grateful, Ken, for your presence, and I know that you will be active in the enactment of this legislation by the House of Representatives.

Our first witness is John Sweeney, chairman of the Federal Development Planning Committee for Appalachia, but before inviting him to the witness table, I believe my distinguished colleague and cosponsor of S. 3, Senator John Sherman Cooper, may desire to make an opening statement.

Senator COOPER. Thank you, Mr. Chairman. I speak as the ranking Republican member on the committee, and I want to say that Senator Randolph has given a very comprehensive survey of the background and the purposes of this bill.

I also want to express my own interest in the early enactment of this legislation, and I want to say that I was glad to join with the

distinguished Senator from West Virginia, Mr. Randolph, and with many others in the Senate, in cosponsoring this bill.

I think it is worthwhile to recall that last year, after comprehensive hearings held under the leadership of Senator Randolph, the bill was reported to the Senate and was passed by the Senate by a majority of those voting on both the Democratic side and the Republican side. I thought that this gave evidence of the national character of the bill, showing that it is in the national interest rather than just the local interest, and I have no doubt that we will see early enactment of this bill this year.

I would like to tell you that my conception of this bill is that it will provide for this area of our country certain prerequisites for development of its resources, along with encouragement for investment. These prerequisites include, as Senator Randolph has indicated, the development of an adequate road system, improvement of the land, assurance of better protection for timber, conservation of water resources, better flood protection, development of local facilities for water and sewage, and the availability of centers for training and education. Finally, I would not fail to mention the provision of essential health facilities throughout the area.

For various reasons, particularly the isolation of its people and communities, the technological changes that have occurred in the chief industry of mining, and the low tax base resulting from the low income level, this great area of the United States has not been able to keep pace with the economic growth of other areas of the Nation. I might say also that long before there was widespread public interest in these matters, the abundance of coal, timber, gas, and oil led to exploitation of these great resources, without full attention to future needs of the region.

I believe that this program will provide the means to bring this area toward the same degree of advancement that other areas of the country have enjoyed in the march of progress. I hope it will be considered in this way, as a national bill, in the national interest, rather than one just in the local interest.

I would not fail to mention also that, for one who lives in this area and has traveled often throughout eastern Kentucky and other parts of the region, this program holds great social hope for the region. I can remember years ago, when I first traveled this area, there was a certain amount of what we might call affluence in the area, but most of the people lived at a similar relatively modest economic level. In the last 15 or 20 years I have noted a change. The affluent have become more affluent, and those at the other end have steadily grown poorer.

Unfortunately, you can see today in that area, unless something like this is done, the possible growth of a very bad social problem which actually might become a class system. For all of these reasons, thinking both of the economic progress of the area and also of its social progress, I feel very strongly that this bill should be enacted.

Senator RANDOLPH. If I may supplement what you said about the conditions within the area, I would remark that in November of 1964, it was my privilege to turn the faucet, as it were, on a complex of a waterworks system for 10 West Virginia communities. These



communities had never had hot and cold running water, and when we turned that faucet, 660 families and small business units had running water for the first time.

I don't want to belabor this point, but I remember a woman 63 years of age who had tears in her eyes as she said, "Senator Randolph, I have never been privileged to take a bath in a bathtub in my life."

These are the conditions that we find within a few miles of the affluent society which may exist in a county seat town, or city in West Virginia, or Kentucky, or in other sections of the country. This was a program that came about through accelerated public works. I hope this program will be continued by the Congress of the United States.

Thank you very much.

Senator FONG, do you have any comment?

Senator FONG. No, Mr. Chairman, I do not have any comment. Coming from a noncontiguous State to Appalachia, I will follow this hearing with very, very deep interest.

Senator RANDOLPH. Thank you very much. Senator Montoya?

Senator MONTOYA. I have no comment at this time, Mr. Chairman.

Senator RANDOLPH. John Sweeney, will you open the hearing at this time?

#### **STATEMENT OF JOHN L. SWEENEY, CHAIRMAN, FEDERAL DEVELOPMENT PLANNING COMMITTEE FOR APPALACHIA**

Mr. SWEENEY. I am John L. Sweeney, Chairman of the Federal Development Planning Committee for Appalachia. That Committee was established by Executive Order No. 11186 of the President on October 25, 1964, and it was charged with the responsibility of carrying on the joint planning effort which had previously marked the relationships between the Appalachian States and the Federal Government.

It is very difficult to follow any description of the Appalachian region such as that just given by Senators Randolph and Cooper, and I won't attempt to do it. I just want to say it is a pleasure for me to be given this opportunity to discuss with you this act, and what we believe are its implications for both the Appalachian region and for the entire Nation.

I think there has been adequately described here this morning the concern which two Presidents have exhibited toward this problem. I think that the facts and statistics which have been gathered over a number of years, and which were presented in the report of the President's Appalachian Commission, are never quite enough to describe the problems which this region faces.

I think it was the President's visit to Appalachia last spring on two occasions that gave him the direct evidence of what the problems are in this region, and what the solutions might possibly be.

The bill before you obviously represents the clear and determined interest of the President to provide the means by which the Appalachian people can begin to move themselves toward the better economic future which they obviously desire.

Now, this committee has made a substantial and valuable contribution to the body of knowledge which now exists about the problems and the needs of Appalachia. I would like to just quote one passage from the report which this committee sent to the floor of the Senate to accompany S. 2782 last year.

Such legislation is long overdue, although it is by no means too late to bring Appalachia into a condition of economic parity with other regions of America. The achievement of such a goal will be to the ultimate enrichment of all America.

With your permission, Senator, I would like to embellish on your remarks as to the changes which have been made this year in this act, so that we might anticipate some of the questions which the committee might have.

Senator RANDOLPH. That would be helpful, sir.

Mr. SWEENEY. These will be brief, and I would like to emphasize what you said: that the major thrust of this year's bill is an attempt to clarify the Federal-State relationships which we hope will emerge through the creation of the Appalachian Regional Commission.

Secondly, we hope to emphasize within the bill what we believe is the only effective strategy for the Appalachian region; namely, an effort to determine the best course of growth for the several subregions of Appalachia, and to pattern the investments, which the bill provides, to best realize that potential.

As a consequence, the statement of purposes of the bill has been changed to emphasize, and I quote—

that the public investments made in the region will be concentrated in areas where there is a significant potential for future growth, and where the expected return on public dollars invested will be the greatest.

We have made a determined effort to emphasize the Federal-State relationships which will exist, which is to say that the primary responsibility for determining programs and projects will rest with the States. No project may be approved by the Appalachian Commission which has not received the approval of the States.

It has been our belief, working for 18 months with the States in the Appalachian region, that they do have a far better knowledge about the problems facing their part of the country and are much more informed as to what reasonable solutions might be. We intend to insure that the Federal participation in this would be limited primarily to insuring that the traditional charges of pork barrel cannot be leveled against this program.

I think that really is the sole Federal responsibility. The States are in a better position to determine what programs can solve the individual problems in their communities, and we hope to rely on their advice and counsel to the greatest degree possible.

Now, as you have pointed out, Senator Randolph, we did increase the access road mileage within this bill without increasing the total dollars. This comes primarily from a better realization on the part of all people involved as to what the costs of these access roads might be. We had originally premised our dollar total on the fact that these roads would cost \$100,000 per mile. They would be high-type secondary roads. As it turns out, most of the States have plans for far less expensive construction. For example, they are talking about using this mileage within their State forests to increase the timber cut



there. They are planning to build unpaved roads out to various commercial sites or out to various recreational sites which can increase the use of the land on which those projects will be built. These, too, will not be anywhere near the \$100,000 cost.

It is our best judgment at this time that these roads will probably average about \$50,000 a mile, and as a consequence, it will virtually double the mileage without increasing the dollars to be spent.

I might add that while the development highway system, the major primary roads which will go with this bill, are exciting to the States, we found a tremendous enthusiasm for the access road concept, because they realize that there is so little land in Appalachia which is capable of development, and one of the keys to making it developable is to link it up with the major highway system. That is what these roads will obviously do.

Again, Senator, as you pointed out, we have made an effort to change the emphasis in the pasture program, the land improvement program. There is really little change in substance, but last year we found, as did everyone associated with this measure, that there was an undue emphasis on livestock production. Neither in last year's bill nor in this year's bill were there any funds specifically set aside for the purchase of livestock or for the increasing herds. All of the funds in this year's bill, as in last year's bill, were to be used for pasture improvement, for the liming of the land, plowing of it, and in some cases fencing of it.

Within the normal program of the Federal Government, primarily through the Farmers Home Administration's loan program, the farmers will have available some loans to increase their herds or put new feeder calf operations into these pastures. But this program contained in S. 3 is primarily patterned after the Great Plains conservation program which helped achieve, in that broad region of the country, the water resource and land treatment improvement that so desperately is needed within the Appalachian region.

In the timber development section, Senator Randolph has again pointed out, the major change is that the organizations which will be formed to improve the return from timber on small holdings in Appalachia are required to be nonprofit corporations. This is something which has made good sense to both the States and to the Federal Government. We obviously don't want to create a force that has a profitmaking capacity to compete with the industry that already exists in the region. This is a thriving industry, and capable of realizing the potential benefits of Appalachian timber.

This is solely a means by which the small holdings can be consolidated for management purposes to provide better timber stands.

Now, as I have stated before, the other main change, the change we regard as major, is the complete locking in, in this bill, of the State responsibility, the State authority to approve projects as a prerequisite to approval by the Appalachian Commission.

I would like to emphasize, in addition to the changes in the bill, the fact that the Appalachian Regional Development Act does not contain all of the programs for which funds will be made available during fiscal years 1966 and 1967. This bill contains only those programs that require new authorizations or modification of existing authorizations. The funds to carry out the entire Appalachian program, in-

cluding the provisions of this bill, and the funds for those programs already authorized, will be provided for in a supplemental appropriation bill to be presented to the Congress once this bill is passed. The Appalachian programs not included in this act, but which will be funded by supplemental appropriations bills, are as follows:

The first of the major areas obviously is an acceleration of the essential work being done by the Corps of Engineers and the Department of Agriculture Soil Conservation Service. We anticipate that the President's budget will contain funds to allow the corps and the Soil Conservation Service to step up the development of the watersheds of Appalachia. That development includes flood control, industrial and residential water supply, and recreational use.

In the timber development and land stabilization field, there are programs already authorized which simply require that more funds be spent in the Appalachian region. One of the most important of these is the research in new ways to harvest timber, and even more important, new ways to put timber to a better end use. We hope to see a substantial increase in the research which is being done through the Department of Agriculture.

Secondly, we hope that the marginal lands of Appalachia, those that have been strip mined or have been clear cut leaving little chance for normal timber growth, can be added to the national forests of the area. We hope to improve the timber cut in the national forests by the construction of more forest roads. This, of course, needs only a supplemental appropriation.

We hope also that the Farmers Home Administration loan program can be increased to provide for better land treatment, and also, where it seems feasible, for the farmer to better utilize that pasture by an increase in his livestock.

In the mining field, which is so important to a number of the coal States of Appalachia, we hope to supplement existing programs for extinguishing burning refuse piles and controlling acid mine drainage, as well as provide a substantial increase in the funds which can be used to better explore the geological and mineral resources of this region.

I know that the committee will ask this question, and I am in no position to speak for what the President's budget will ultimately contain, but I would say that we have asked the Budget Bureau to include approximately \$50 million in the supplemental appropriation bill which will be above and beyond the authorizations contained in S. 3.

The provisions of this bill and the appropriation followup contain a sound program for economic development of the Nation's largest and most clearly defined region of deprivation. The method of operation of this program reflected in the proposals of the Commission has evolved from a history of successful State-Federal relationships over a period of several years.

The neglect which has determined the present condition of Appalachia cannot be allowed to continue, and the requests for action to help Appalachia come not only from the people of the region, not only from the Governors, but also from business and industry in the Nation which obviously can see Appalachia as a potential market and as a potential source of raw material.



This legislation seeks to provide for Appalachia not the means of support, but more important, the tools of development. To that end are dedicated the efforts of the Federal Government, the State governments, the local communities, individual and private business and industry, all working in responsible cooperation. Through its approval of this bill, this committee can once again contribute to the promise of a brighter future for the 16 million people of the region.

I will now begin my prepared statement:

The economic problems of Appalachia have been of deep concern to both President Johnson and President Kennedy. President Johnson has assigned the highest priority to the economic development of Appalachia out of his concern for the deprivation which has settled over large portions of the region. In April of last year, President Johnson visited several of the Appalachian States and witnessed directly the hardships endured by all too many Appalachian people.

While meeting with the Governors of the Appalachian States in Huntington, W. Va., the President pledged the full support of his administration to improving the economic conditions of Appalachia, a pledge that he has held to unswervingly. Immediately following the Huntington meeting, President Johnson sent to Congress legislation very similar to the bill under discussion today. In October, he created the Federal Development Planning Committee for Appalachia in order that the Appalachian States and the Federal Government could continue their joint efforts without interruption.

The program contained in Senate bill 3 clearly represents the President's strong dedication to the people of Appalachia and his desire that they, with all their countrymen, share in the realities of the Great Society.

Almost 2 years ago, President Kennedy established the President's Appalachian Regional Commission out of his conviction that the economic ills of Appalachia demanded the special attention of government at all levels.

He appointed as Chairman of that Commission the Under Secretary of Commerce, Franklin D. Roosevelt, Jr. In that capacity, Mr. Roosevelt labored long and hard, bringing together all the best ideas of the Appalachian States and a dozen Federal agencies into the report which preceded this legislation.

This committee has likewise made a substantial and valuable contribution to the body of knowledge that now exists about the problems and the needs of the Appalachian region. Last summer, after conducting hearings and collecting a variety of testimony on S. 2782, the Appalachian Regional Development Act of 1964, the Senate Public Works Committee made this comment in its report on that bill:

Such legislation is a vital necessity in order to launch a broad-scale attack on the problems of the Appalachian region.

Such legislation is long overdue; though it is by no means too late to bring Appalachia into a condition of economic parity with other regions of America. The achievement of such a goal will be to the ultimate enrichment of all America.

Four months have elapsed since the Senate passed the Appalachian Regional Development Act of 1964, yet the need for an accelerated pace of economic development in Appalachia is just as evident today as it was last year.

Senate bill 3, introduced by Senator Randolph and many of his colleagues, is predicated upon the same needs and objectives as was its

predecessor in the 88th Congress. It continues to recognize the overriding necessity to produce a more rapid rate of economic growth in the Appalachian region.

There have been few changes in the Appalachian Act. The most important changes concern the working relations between State and Federal Governments in the operation of the Appalachian Regional Commission.

Later in this statement I shall discuss the most significant differences between Senate bill 3 and the bill which this committee considered last summer.

Regional economic development in Appalachia requires a full utilization of the area's resources, both human and physical. The Appalachian Act identifies four major development areas where joint Federal-State action can provide a sound regional economic base. These are: access to, from, and within the region; water resource exploitation including flood control; better use of the natural resources and a concerted effort to upgrade the region's human resources.

#### HIGHWAYS

The first of these developmental needs, better access for the region, is provided for by section 201 of the bill, the Appalachian development highway system. Lying between two great population centers of the Nation, the Midwest and the eastern seaboard, Appalachia represents a potential market and a source of raw materials, as well as a major recreational area for these enormous concentrations of population. Yet none of this potential will be realized until the isolation of the region has been overcome, and the Appalachian Mountain barrier can only be eliminated by a modern highway network.

Highway construction in most sections of Appalachia is expensive. For example, in West Virginia and Kentucky, the east-west roads which cut directly through the mountains will cost more than a million dollars per mile for a high type two-lane primary road. This can be contrasted to an average cost of between \$300,000 and \$500,000 for such a road on flat terrain. This bill recommends that the Appalachian highway program be constructed with moneys from the general fund, for to dip into the highway trust fund would discriminate against the other 39 States. The Appalachian States have put a disproportionate amount of their highway funds into the Appalachian portions of their States. This general fund investment will enable them to build the highway system which is the key to future economic growth.

The only change that has been made in this section of the bill has been an increase in the mileage of local access roads, from 500 miles to a total of 1,000 miles. The development highway system remains the same, 2,350 miles, and the Federal share of the entire program remains at \$840 million. The additional access road mileage will link even more areas having development potential with the development system itself and with the interstate highways that cross the region.

The Appalachian Regional Commission will, as previously understood, recommend the basic corridors through which the development highways will pass. But before the Commission makes such a recommendation, it must have obtained the recommendations of each State highway department. Once the Commission's recommendations have



been submitted, the present system of cooperation between the Secretary of Commerce and the State highway departments will take over, as in the case of every other federally supported roadbuilding program.

#### WATER RESOURCES

The proper management of Appalachia's water resources is the purpose of section 206 of this bill which authorizes the Army Corps of Engineers to conduct a comprehensive water resource survey for the region and prepare a comprehensive plan for water resource development. Your committee and its staff are really the source of this section. When you suggested its inclusion in the Appalachian bill last year, its good sense demanded immediate agreement. Appalachia's water resources, fed by a steady and abundant annual rainfall, are one of the region's most precious assets.

With sufficient control and management, this resource can provide the essential base for industrial, residential, commercial, and recreational development. Without adequate control, a combination of flooding, drought, and polluted water will further retard the Appalachian effort to achieve greater economic growth.

The water resource survey authorized by section 206 will be conducted by the Army Engineers in cooperation with the Appalachian Regional Commission, and all appropriate Federal and State agencies. The procedures for comprehensive water resource planning as set forth in S. 3 are similar to the procedures used for comprehensive river basin studies throughout the country, including some that have been completed or are now underway in the Appalachian region. Such work has already been done or is in process in several Appalachian River basins, including the Delaware, upper Ohio, Susquehanna, and Potomac. The timely completion of studies now in progress and the initiation of studies in additional river basins will help insure the fullest use of the region's water resource potential.

#### PHYSICAL RESOURCES

Sections 203, 204, and 205 of this bill deal directly with the most prominent and valuable physical resources of Appalachia. As crucial as they are to economic development, better highways and controlled water cannot by themselves produce the desired results unless considerable attention is also devoted to improving these natural resources.

#### LAND STABILIZATION

Land improvement and erosion control are made possible by section 203 which attempts to correct the neglect and misuse of much of Appalachia's land. The hilly topography of the Appalachian region has long been a deterrent to the successful farming of vegetables or grains in any large quantity. The Appalachian terrain has also discouraged the mechanization on the region's farms that would be necessary for profitable farming operations. Over the years the steeply sloped Appalachian farms have remained largely unproductive and have undergone severe erosion which has only helped to clog the region's streams. The principal emphasis of this program is to prevent further erosion

on as much land as possible out of a total of 8.6 million acres of land requiring erosion control. This can be done by establishing an adequate vegetative covering on some of the land or by turning it into pasture land capable of supporting economical livestock operations. Section 203 will provide to eligible farms, grants covering the cost of 80 percent of the improvement of up to 25 acres of land which either has no protective covering or which needs improvement in order to make it economically feasible for livestock production.

This legislation authorizes \$8.5 million for each of the fiscal years 1966 and 1967 for this program, to be administered by the Agricultural Stabilization and Conservation Service which already operates similar grant programs for conservation practices. The program of grants would be carried out through the State and county committees in a manner similar to the existing programs. Specifically, the funds would be used for land preparation, seed and seeding costs, fertilizer and lime costs, and in some cases brush removal, pond construction and fencing costs. This program at the same rate of investment could by 1971 improve 3.3 million acres.

#### TIMBER

Section 204 provides for the establishment of timber development organizations in Appalachia in order to improve the potentially valuable timber resources of the region. Appalachia hardwoods are famous throughout the Nation and comprise 80 percent of both forest area and timber volume in the region. Timber growth in Appalachia has fallen far short of its potential, and much of the growth that has taken place has been low in quality. Because over 70 percent of the region's total forest acreage is in small private stands, sound timber management practices have not been applied to substantial portions of Appalachian timberland.

The primary responsibility for promoting the concept of timber improvement through timber development organizations will rest with the U.S. Forest Service, working with State foresters, although the implementation is designed to be carried out under private auspices. Briefly, a timber development organization will be the joining together in a nonprofit corporate or cooperative structure various sized tracts so as to establish a single management unit that will protect and restore the timberland to full productivity and guarantee a return to the landowner either in the future or on an annual or periodic basis. Through such cooperative efforts, landowners ideally will achieve maximum management and harvesting advantages.

Timber development organizations should concentrate on providing technical assistance on the lands within the organization, such as the establishment of better tree cutting and timber practices. But in order to accomplish this goal, the timber development organization is permitted to seek the physical consolidation of landholdings important to the maximum management of the designated land. This may also include the purchase of tax-delinquent lands and property of nonresident owners wanting to dispose of their holdings. There is no intention, nor is there authority in the bill, for the acquisition of land under eminent domain.

In the initial period, emphasis should be placed on demonstration timber development organizations and research assistance and on marketing assistance for research products.



The timber development organization, like the individual landowner, will be eligible for technical and management assistance under existing programs operated by State foresters and State extension forestry units in cooperation with the U.S. Forest Service.

However, it is anticipated that the major portion of assistance to a timber development organization for technical guidance, direct management and organization will come from private foresters. That is to say, the timber development organization once established, will hire the independent forester as a consultant, or on a part-time or full-time basis.

It is intended that from the beginning, the Federal employee will have only a minimal role in the affairs of the timber development organization.

The principal role of the Federal Government in establishment of timber development organizations will be in providing a loan (not a grant) for one-half the initial capital requirements of the organization. The Appalachian Regional Development Act will authorize \$5 million for fiscal 1966 and fiscal 1967 for these loans, which will be administered by the Farmers Home Administration.

However, it is intended that loans be granted by FHA only after plans have been submitted to the Appalachian Regional Commission showing a management and program outline for the proposed timber development organization which has been prepared by State and private foresters and individuals, as proposed to Federal personnel.

It is further intended, as specifically stated in the bill, that no Federal funds, that is the FHA loan, shall be used to set up manufacturing for forest products. Federal funds can be used for construction of facilities necessary for improving the timber stand within the timber development organization, such as construction of access roads and installation of boundary markers.

The remaining 50 percent capital requirement of the timber development organization would be achieved through donations, loans, purchases of stock or pledges of land by private sources or State or local governments.

#### COAL LANDS

Section 205 provides for several programs of restoration in the mining areas of Appalachia. Much of the Appalachian landscape has been damaged by the mining of coal. Both strip mining and deep mining operations have eroded the hillsides, polluted the streams, and threatened the well-being of thousands of people. Today, the mistakes of past coal mining practices serve as a major deterrent to industrial and recreational development Appalachia. While we would expect that the States will take steps to prevent future damage from mining activities, local and State governments have not had the necessary resources to repair the widespread damages caused by past coal mining. Strip mining in the region causes substantial erosion and stream pollution both locally and many miles downstream. Many Appalachian communities are constantly threatened by subsidence of lands into the coal mines that lie beneath. Unsealed underground mines have leached enormous quantities of acid into Appalachian streams and rivers, creating serious water pollution problems. The reclamation of lands damaged by past mining operations is crucial to stimulating economic development in the region.

Under this section, the Secretary of the Interior is authorized to repair damage caused by mine subsidence throughout Appalachia on a scope greater than provided under existing legislation.

The existing mine fire control program has had its appropriations limitation increased and the Fish and Wildlife Service has been authorized additional funds to restore areas damaged by mining practices.

The Federal contributions to all programs referred to in section 205(a) are established at not to exceed 75 percent by this bill. Furthermore, these new appropriations will not be counted in any computation of apportionments to the States under the existing national programs. In order to insure that private landowners do not receive a windfall from strip mine reclamation, such projects will be carried out only on those lands to which the public has access or from which a public benefit will result.

Because of complicated problems involving private versus public interests, benefits versus costs, etc., the Secretary of the Interior will undertake a strip mine study in full cooperation with appropriate Federal, State, and local departments and agencies and the Commission. The Secretary is to submit to the President, and the President to Congress, by July 1, 1967, detailed recommendations for a long-range comprehensive program for reclamation and rehabilitation of strip- and surface-mined areas in the United States and for the policies under which the program should be conducted.

The study will consider the nature and extent of strip mining and its results; the effectiveness of State legislation; the public interest and public benefits resulting from reclamation activities; and the appropriate cost-sharing roles of Federal and State Governments and private interests and other relevant topics.

Sections 202, 211, and 212 of this bill bear directly upon the human resource needs and community development requirements of the Appalachian region. There is a direct relationship between the services that a community can offer its residents and the likelihood of economic growth occurring in that community. The construction of health centers, vocational education schools, and sewage treatment facilities all influence a community's ability to hold and attract the industries and the jobs that make for economic stability and growth.

#### HEALTH CENTERS

Under section 202, the Federal Government is authorized to make contributions to the costs of constructing and operating multicounty regional health centers. The bill authorizes Federal grants in the first 2 years of a hospital's operation to cover costs in excess of those provided from patients and other revenue sources. Even communities which can raise their share of the construction costs under the Hill-Burton program have difficulties obtaining operating funds in their initial years of operation. Hospitals require working capital in the same manner that businesses do; initial funds must be on hand to provide for supplies and salaries.



## VOCATIONAL EDUCATION FACILITIES

Federal investments in vocational education facilities provided by section 211 of the Appalachian Regional Development Act are necessary if the people of Appalachia are to participate in the national economic growth. The communities of Appalachia are now making a great effort to help themselves; the State governments of the region have made and are now making additional extensive investments in vocational training facilities. Even these efforts have been and will be inadequate to provide the facilities needed in face of present shortages.

Constructive legislation passed by the 88th Congress, the Vocational Education Act of 1963, would provide some additional money to Appalachia. As much as \$13.6 million may be available in the Appalachian portion of the 11 States comprising the region from that act. Five million of these dollars, however, will go to Pennsylvania, leaving an average of \$800,000 for each of the remaining 10 States. These funds will have to be used for operations and teacher training as well as construction.

Heavy costs are involved in providing vocational instruction. The cost of constructing and equipping the vocational schools can vary greatly depending on the mix of shop facilities included. The \$16 million authorized by this bill to supplement the Vocational Education Act of 1963 could, when combined with State matching money, provide between 30 and 50 area vocational schools in Appalachia. These facilities will serve not only high school students but also adult trainees in manpower training and other vocational programs. The investment in vocational facilities should be repaid from the increased taxes that will be paid by the skilled persons who will graduate from these facilities.

## SEWAGE TREATMENT

Inadequate waste treatment through the lack of sewage treatment facilities is a serious Appalachian problem which threatens the health of its people and thwarts economic development. In order to meet the sewage treatment need, section 212 of this bill authorizes \$6 million for fiscal years 1966 and 1967 for construction of sewage treatment control facilities.

This program is to be carried out under the terms of the Water Pollution Control Act, administered by the Department of Health, Education, and Welfare. The special Appalachian authorizations will not be affected by the authorization ceilings or allotments among the several States which are provided in the Water Pollution Control Act.

## SUPPLEMENTS TO GRANTS-IN-AID PROGRAMS

The economic difficulties that beset large portions of Appalachia have prevented many of its communities from utilizing fully the wide variety of Federal grant-in-aid programs that are available to communities across the country. Consequently, these communities most in need of grant-in-aid funds have been unable to produce the matching funds required to take advantage of the Hill-Burton Act, the Department of Agriculture's small watershed conservation and develop-

ment programs, the Federal Airport Act's airport development assistance, to mention a few.

The Appalachian Act authorizes supplementary funds to be used for the construction of hospitals, vocational education schools, and sewage treatment plants in the belief that such facilities provide communities with an essential base from which they can launch plans for economic development. Similarly, it has been felt that the communities of Appalachia should be assisted in obtaining additional facilities, available under existing programs, that can also stimulate development and growth.

Therefore, section 214 of the bill authorizes the provision of a special fund to help Appalachian communities meet part of the local share of existing grant-in-aid programs. Under this authority the Secretary of Commerce, following appropriate consultation with the Appalachian Commission, is empowered to allocate funds for eligible localities for the sole purpose of increasing the Federal contribution above the fixed maximum portion of the cost as authorized by applicable law. Such funds cannot be used to increase the Federal share of any program to more than 80 percent of the cost; they can be used only for grant programs, not for any loan or other federally financially assisted program; and only for the construction and equipment of facilities.

#### APPALACHIAN REGIONAL COMMISSION

To guarantee the fullest coordination possible in the administration of the various programs under the Appalachian Regional Development Act, the act establishes the Appalachian Regional Commission. Because the success of this effort depends upon the complete cooperation of 11 States, innumerable local governments within those States, and at least a dozen Federal agencies, coordination must play a central role in the implementation of this act.

The Appalachian Regional Commission is not designed as an operating agency. It will have no authority over any other agency of government at any level. Existing Federal programs will be directed by the appropriate Federal agency. The Commission's job in this area will be to coordinate existing programs with new programs and with the needs of the region as a whole.

Some of the specific duties of the Commission include making initial recommendations on each phase of the programs contained in the bill; operating as a clearinghouse for expert opinion which can be shared throughout the region; sponsoring research and demonstration projects upon which it will base its recommendations; recommending revisions of existing laws; and adapting project requests to the principles of overall regional development.

The Appalachian Regional Commission will be truly regional in its composition. It will include representatives of each of the 11 Appalachian States and a representative of the Federal Government, appointed by the President. The Federal member of the Commission shall serve as the Federal Cochairman. His counterpart, the State Cochairman, shall be selected by the States sitting on the Commission.

This State-Federal structure for the Commission is consistent with the experience of all who have participated in the formulation of this program over the past 2 years. And the Appalachian program is



based on the realization that the States and local communities could not do it alone. This concept, plus that of the protection of States' interests and Federal expenditures is reflected in the provisions for the Commission and its operations.

Senate bill 3 contains some new language which clarifies even further the responsibility of the States than did last year's version of the Appalachian Regional Development Act. These additions have been written into the statement of purpose and read as follows:

The public investments made in the region under this Act shall be concentrated in areas where there is a significant potential for future growth, and where the expected return on public dollars invested will be the greatest. The States will be responsible for recommending local and State projects, within their borders, which will receive assistance under this Act.

The procedures that shall be used in the approval and implementation of programs are spelled out in fuller detail in sections 223 and 303 of the act. The essence of these procedures is simply this: that an application for assistance under the Appalachian Act may originate from any source in a State's eligible counties, but the application can reach the Commission through only one channel—the State representative sitting on the Commission.

This means two things: (1) The Commission, or the Federal Co-chairman cannot tell a State what projects it should recommend to the Commission, nor can the Commission bypass the State representative by approving projects and programs submitted to it by a local government. (2) The States will have greater control over the relationship of individual projects to overall economic development in their Appalachian portions.

The Appalachian program, if it is to be successful, must take full advantage of the considerable amount of knowledge and experience that exists at the State level of government. This bill properly establishes the procedures which will insure the continuation of responsible State participation under the Appalachian Act. The Appalachian States have already demonstrated their capacity for responsibility during the studies and the discussions which have contributed to this legislation.

Since the primary aim of the Appalachian Act is to stimulate economic growth in the Appalachian region, it is only proper for the Commission to be guided by the criterion in section 224, stressing the potential for future growth. Here again, the Commission will rely most heavily upon the advice of the Appalachian States which possess the greatest knowledge about the locations of potential growth and how the Appalachian program can best be used to stimulate economic development.

The remaining duties and responsibilities of the Commission are the same as those contained in the bill which this committee examined last year. The affirmative vote of the Federal Cochairman is required before any project can be implemented, and a State, if it so desires, can refrain from accepting a project that it does not want.

#### COORDINATION WITH OFFICE OF ECONOMIC OPPORTUNITY

"Coordination" will be the key word of the Appalachian Regional Commission—coordination among the Appalachian States, the Federal agencies, the private and public institutions of the region, and

local communities and organizations. The Commission, when it officially comes into existence will, for instance, want to establish close coordination with the Office of Economic Opportunity. To that end, the staff of the Federal Development Planning Committee for Appalachia has been meeting with OEO staff members to discuss the best methods for the interchange of information about standards, procedures, and program developments so that the two agencies can complement each other to the fullest degree possible.

There can be no doubt that the Appalachian Commission, working in cooperation with OEO, can make an even greater contribution to Appalachia. Some specific illustrations of the benefits to be gained from this cooperation are as follows:

1. As the Appalachian Commission develops judgments about the economic potential of parts of Appalachia, these can be highly useful to OEO in planning the types of vocational training to be offered in its Job Corps, work training, and other similar operations.

2. These same ARC judgments can be helpful to OEO in administering the small business loan and rural area grants and loan sections of the Economic Opportunity Act.

3. As vocational education facilities are created, they could be used in connection with the various training programs of OEO.

4. Both the vocational education facilities and the demonstration health centers could provide sites for the profitable use of VISTA volunteers.

5. The community planning grants made under the Economic Opportunity Act could be coordinated with the technical assistance grants to local development districts under the Appalachina program to aid local leaders in attacking the widest possible range of local problems.

6. Job Corps programs in natural resource development can be coordinated with the various aspects of resource development under the Appalachian program.

These are just a few examples of how the Appalachian Commission, under the responsibilities assigned to it, can and must work with other agencies toward the comprehensive development of the resources of the Appalachian region.

The provisions of Senate bill 3 contain a sound program for economic development for the Nation's largest and most clearly defined area of deprivation. The method of operation of this program, reflected in the proposed Appalachian Regional Commission, has evolved from a history of successful State-Federal cooperation over a period of several years.

The neglect which has determined the present condition of Appalachia cannot be allowed to continue. The request for action to help Appalachia help itself has come not only from the people of the region and their Governors, but also from business and industry throughout the Nation which sees Appalachia as a potential market.

This legislation seeks to provide for Appalachia not the means for support, but more important, the tools for development. To that end are dedicated the efforts of the Federal Government, State, governments, local governments, communities, individuals, and private business and industry—all working in responsible cooperation. Through its approval of this bill, this committee can once again contribute to the promise of a brighter future for the 16 million people whose home is Appalachia.



Senator RANDOLPH. Thank you very much, Mr. Sweeney. You are giving to the committee facts that are important as we move forward within the committee on these hearings, marking up the bill, and reporting it to the Senate. I ask you to turn to pages 4 and 5 of your prepared statement. I would like you to further rationalize, if you will, the addition of these 500 miles of local access roads within the same \$840 million budget.

There is, as you know, some difference of opinion yet between the U.S. Bureau of Public Roads and others who are studying this problem.

Mr. SWEENEY. Yes, sir. We are informed by the Bureau of Public Roads, after it in turn has consulted with the States, that the average cost of these access roads will probably run about \$50,000 per mile. This is exactly half the estimate that went into the original figure of—of course—\$100,000 a mile.

As I said in my remarks there apparently was some difference of opinion as to what these roads would be used primarily for when the bill was originally drafted. It was originally assumed that they would be mostly of the rather high type secondary standards that characterize rather well-paved, well-graded roads to carry a much higher volume of traffic than it is apparent that the States want to use these funds for.

As I said, there is a tremendous interest to use these access roads to open up the State forest lands to realize a better cut and to provide more jobs in their area.

Second, a number of roads built for recreational purposes need not be built at the original high standards anticipated. We have estimates, for example, in Alabama and South Carolina where they envision a cost of these roads of \$24,000 a mile.

Now the purpose of this amendment is to make sure that if these projections are accurate and that much more of a mileage can be built with the \$50 million which is reserved for this program that we not be hamstrung by a mileage limitation of 500 miles.

This says, in effect, that there will be 1,000 miles that can be built under this. We believe it will be built with the original amount estimated. We agree that there should be a dollar limitation on these which is still in the bill. I hope that is responsive.

Senator RANDOLPH. Yes; that further explanation is helpful to the committee. I have reason to believe that you are correct, based on the estimates that the States have forwarded, although I can understand that there is still some conflict between some State highway departments and the Bureau of Public Roads. I think we can minimize this difference at a later date.

Will you turn to page 7 also, Mr. Sweeney. I would like to have you give us the amount of acreage that would be improved annually under the proposed program which we have in section 203.

Mr. SWEENEY. The figures we have, from the Soil Conservation Service, Senator, indicate that over the life of the bill, between now and 1971, assuming congressional approval this session, that we would improve approximately 3.3 million acres.

I think, while we don't have it broken down on an actual year by year basis, because the program will obviously start slower than it will end up in 1971, that the average per year comes out to approximately 500,000 acres a year.

I really can't tell you how much will be done the first year as against the second. But that will be approximately the average improvement each year.

Senator RANDOLPH. Thank you. Also I direct your attention to page 14. I would like the committee to know from you the basis for the apportionment of \$5 million for the State of Pennsylvania from the \$16 million allocated under section 211 for vocational education facilities.

Mr. SWEENEY. Senator, I am sorry. I guess we confused this in our presentation. What I have said here is that under the Vocational Education Act of 1963 that the first year's allocation from that bill for the Appalachian portions of the 11 States, based on the best evidence we can get, would be approximately \$13,500,000. Because of the formula, within that act, and I can't give you the specifics, Pennsylvania seems to receive a large share. I will be happy to provide it in writing as to how that is arrived at.

Senator RANDOLPH. We would like to have that.

Mr. SWEENEY. Pennsylvania will get \$5 million under that act while the other States will receive much less. That is why we are so interested in this section of S. 3, to overcome the deficits in the rest of the States.

Senator RANDOLPH. You must spell that out more fully.

Mr. SWEENEY. Yes, sir.

Senator RANDOLPH. On page 18 of your statement you refer to new language of the bill dealing with areas of potential economic growth. Would you elaborate on your understanding of the new language which you have quoted at the top of that page of your statement? I think this might be helpful.

Mr. SWEENEY. Senator, I would like to preface what I am going to say by a request to this committee. Upon review of this bill by the States and by those of us on the Federal Development Planning Committee once again, it was our judgment that there is a misleading phrase in the present language of the bill.

We would like to suggest what we consider a technical amendment. We will have it prepared and shipped up to you. That is the replacement of the two words "the greatest" where it precedes "potential future growth" with the words "a significant" potential future growth. We think there is all too much of an emphasis on a process in which conceivably the Commission would be picking out one or two areas and saying, "You have the greatest potential" and go with it. That was never our intention.

We are asking the States, in the course of this planning effort, to review the potential within the several subregions of Appalachia. As you know, this is an extremely diverse region ranging from industrial Pennsylvania to the agricultural regions of Alabama. By breaking the region down into subregions it is possible to estimate what the best potential for improvement and added income are in these several sections.

It is perfectly apparent that some of these regions will never be the centers for industrial growth as we know it, but they may have an enormous potential for a more sophisticated agriculture, better tourist and recreational growth and so on. And we expect the States to come in with programs that mirror that potential.



So following that throughout Appalachia, at the State level, we will have what amounts to State plans for the future, and we hope that these investments can be made in accordance with plans for that growth. That is all we have in mind, not what some of the newspapers have said about selecting some 20 cities and putting all of the funds in them. That has never been our intention. It is obviously impossible to do. From both a political and economic standpoint it would not be wise.

Senator RANDOLPH. This is an important clarification on this point.

Senator Cooper, do you have a question for the witness?

Senator COOPER. Mr. Sweeney, at the beginning of your testimony you spoke of the changes that had been made in the contemplated reorganization of the Appalachian Regional Commission which is to be made up of the Governors, or their delegates and a Federal representative.

I think it is very important that the States do more than just passively cooperate, and that they continue to exercise a great deal of initiative and interest in this program. You have stated that no program can be approved in a particular State unless it has the approval of that State, and that each program must be initiated in the State.

Can you tell me, then, what is the function or the purpose of the veto which has been given to the Federal delegate, because that is a question that has been raised.

Mr. SWEENEY. I think that I can speak now representing both the States' and Federal view. We have come close to consensus as to how the Commission will operate. I think the vote of the Federal representative will be cast to insure that the regional plans the States submit are mirrored in the pattern of investment they ask for within those plans, and that there is not a scattering of investments so that we dissipate what is really a small amount of money to meet the total problems of this region.

So I think his role is one of an overseer to make sure that as the projects come through from the States that there isn't a sewage works over here, a vocational school over here, with a highway going through the middle; an unplanned series of projects in which there is no attempt to link them up in a coordinated development effort.

I think there is an enormous tendency in this direction as you know from the Accelerated Public Works Act which was most effective but designed, to provide jobs at the immediate moment. This really is not the initial thrust of the Appalachian bill. That thrust is to provide a means whereby 20 years from now Appalachia will no longer need any help whatsoever. It will be like the rest of the Nation. And hopefully this can be best done by putting all the investments in a pattern so they lead to a consistent economic goal for a given part of Appalachia.

Senator COOPER. Then the purpose is to help insure the orderly spacing of the projects, the orderly development of programs within the States, as well as to assure communication between the States so that the overall program will be reasonable and useful?

Mr. SWEENEY. Senator, if I may, the Federal member obviously has another role and that will be to act as the balance wheel in allocating the fund among the States. It is perfectly apparent that there are

going to be more requests coming in than dollars available for each State. And it will be part of his judgment to determine how to actually allocate the funds.

Senator COOPER. Do you contemplate that the States will be urged to provide technical assistance in the use of administrative personnel, and to provide people who are acquainted with not only the area situations but also the technical problems too?

Mr. SWEENEY. We have a section in the bill, Senator, on which I didn't comment because it is the same as last year, which provides these local States and communities and to hire the personnel they need for the right kind of a planning job.

Senator COOPER. I want to ask you about another matter which has been raised in debate and in which we are all interested. You know there are a large number of programs which are directed toward this area and similar areas in the United States. I mention among others, the Manpower Development and Training Act program, the HEW programs, the Area Redevelopment Administration and the Office of Economic Opportunity. There is some question as to how all of these programs will be coordinated.

I know there is a difference in the Appalachian proposal, which I think focuses on providing these basic physical requirements of growth. Some of the other programs may go more directly toward immediate human needs, but I wonder whether you have given thought to the coordination of these programs so that there shall be the best possible use of these programs in this area so as to make the greatest impact?

Mr. SWEENEY. Senator, I think that it is inevitable in any Federal program that the amount of dollars available to specific projects becomes the all important public factor. I would call your attention to section 102 of the bill which outlines the functions of the Commission. I know I shouldn't call your attention to it. I know you have read it carefully before.

Senator COOPER. I think it is necessary to have this in the record.

Mr. SWEENEY. I think if this Commission performs the real function that it can, the primary result of that will be a far better coordinated Federal effort and indeed State effort because its primary charge under the act is to develop a continuing basis comprehensive and coordinated plans and programs giving due consideration to other Federal and State efforts in the region.

I think that is its major function, to provide a vehicle for coordinating activities. I have cited one example in my prepared statement. We aren't going off on one tangent building things while the OEO is doing something else.

Coordination is the only way things can work out.

Senator COOPER. I have one more question, Mr. Chairman. This goes to a specific problem. I know the program would enable grants to be made for particular uses such as sewage, airports, and Hill-Burton projects, and that under existing programs the ratio of grants could go from 50-50 up to 80-20 in some cases. Is there a gap in the bill in that this section would not be available for the provision of just plain water to some community? I know it would provide sewage facilities, but I believe that there is a gap since there is no provision for assistance to get water systems. And I know that there



are many communities in my State, including several county seats, which do not have any water facilities and still use wells.

In many cases it is brackish mine water and very very dangerous to the health of the people and to children in schools. I think that if it is correct that no provision is made for grants for water systems, we should move to correct the situation.

Mr. SWEENEY. Senator, let me explain why it is not in the bill. We are aware of this. We are less aware than all of you who have lived there, but we are totally aware of the need.

There are also no funds for school construction in this bill. It was our judgment and the President's judgment that until the Congress had resolved this question nationally, until it had finally converted the community facilities loan program for water facilities into a grant program, as has been proposed by Congressman Blatnik and others on this committee, we ought not to ask for a special program in Appalachia.

But when those two questions are resolved and there is a national program for water supply on a grant basis and also for school construction, we will be in a position to recommend the needs Appalachia actually has. Until this program is established nationally, and we understand a rather valiant effort will be made this year, we would be ill advised to come in with a special new program for Appalachia.

This whole bill is an extension of existing programs to meet the Appalachian needs.

Senator RANDOLPH. Senator Montoya.

Senator MONTOKA. Mr. Sweeney, under the provisions of section 201(a) the Secretary of Commerce is authorized to assist in the construction of this highway system about which you speak.

Does that provision contemplate that the State road departments in the respective States will have some kind of authority or voice in planning this road system and supervising the construction including the issuance or approval of bids?

Mr. SWEENEY. Certainly. The only deviation from the normal highway practice is that the broad corridor routes, not the exact location, but the corridors that these roads ought to traverse, those recommendations will be made by the Commission.

If they are approved by the President, then the normal relationships between the Bureau of Public Roads and State highway departments takes over. The State highway departments will collect the bids subject to approval just as they presently do under all federally assisted highway programs.

Senator MONTOKA. In other words, you add here to the present procedures of having the State assume complete autonomy in supervising the contracts subject to compliance with your public roads standards.

Mr. SWEENEY. Yes, sir.

Senator MONTOKA. Have you discussed the matter of \$50,000 a mile roads with the Bureau of Public Roads, and what is their reaction, if you have?

Mr. SWEENEY. I think their reaction is that given the States intention of how they would like to see these roads built and to what standards and to what use, they are in agreement that this represents a sound approach to up the mileage allotment while maintaining the dollar schedule.

Senator MONTROYA. I notice here there is also a provision which grants discretionary power so to speak to the Secretary of Commerce whereby he can raise the Federal contribution from 50 to 70 percent, but there is no definitive standard other than recommendation of the Commission.

Mr. SWEENEY. Yes, sir.

Senator MONTROYA. Is there any possibility that you might favor one particular section over another without any definitive standards for raising the contribution from 50 to 70 percent?

Mr. SWEENEY. I am going to have to be frank. This is an amendment which was carried over from the House Public Works Committee in which there was an announced intention not to vary the basic floor of 50 percent and allowing it to go up to 70.

I think the accurate statement is that the dollars in the bill, as against the total cost of the system, work out to a 70-percent Federal contribution. So that it is my view that the Commission will undoubtedly recommend that each of these roads be constructed at 70-30 and that the Secretary of Commerce will concur in that recommendation.

Senator MONTROYA. And that will be the rule rather than the exception then?

Mr. SWEENEY. Yes, sir; I believe it would be almost an inviolable rule.

Senator COOPER. Will the Senator yield?

Senator MONTROYA. Yes.

Senator COOPER. I may say there is a precedent both from the ARA and from the accelerated public works program, where the extent of the grant was based on certain factors such as rate of unemployment, the fiscal ability of the community, the income levels, and so forth. I would think there would have to be some relevant regulations developed to go with the language of the bill.

Senator MONTROYA. But, Senator, in the bill there are no criteria.

Senator COOPER. I agree.

Senator MONTROYA. Now, assuming that under this program a road will be built in one of these regions, which road will have to traverse some forest land, what would be the obligation of the State? What would be the obligation of this particular fund in building a road through that forest land, if any obligation at all?

Mr. SWEENEY. I am not certain I am going to be responsive and if I am not I know you will let me know. It strikes me that where there is a Federal right-of-way involved over national forest land that the normal procedures of the title 23 would take place; namely, there is a transfer of right-of-way and easement to the State highway department which has control of the highway.

Outside that one fact, I think all the normal procedures, I am sure all the normal procedures, of title 23 would follow. That is on the development highway.

Now when it comes to the forest access road or another kind of access road which must go through federally held land, I believe that since that is the common practice covered by title 23 that those same procedures would follow. I don't know the routine on that. I would have to provide that for you in writing.

Senator MONTROYA. This is what I am getting at, Mr. Sweeney. Assuming that the program calls for an expenditure of say \$200,000 for



a stretch of road from one point to another and in between there is some forest land, do I understand from this provision that the Federal Government would expect the State to contribute a minimum of 30 percent in matching funds for building a road across forest land, or will the Forest Service or the Federal Government assume that corresponding expenditure?

Mr. SWEENEY. I frankly cannot answer that. There is nothing in the bill that provides for a different procedure than is presently in the Highway Act. I assume that this happens in present construction, but I don't know that. I would be happy to provide that for you in writing by talking to the Bureau of Public Roads and having them send up an opinion.

Senator MONTAYA. Would you also provide the committee with an opinion regarding the construction of a road on national forest land whether the Forest Service, out of its own appropriated funds, will participate in this kind of a construction, or will the Forest Service expect this program to shoulder the entire burden whether within the 30-70 formula, or otherwise?

Mr. SWEENEY. I will do that, Senator.

Senator COOPER. I want to raise one other question. A great resource of eastern Kentucky, West Virginia, and most of the counties of Pennsylvania that are in this area, is coal. And it is yet, even with the difficulties facing the industry, the greatest producer of income in these areas. And it probably still provides the greatest source of employment of any single industry in these areas where its deposits are.

In my State I would say at the close of World War II, over 70,000 miners were employed in this industry. Today there are only some 23,000 miners in eastern Kentucky producing as much coal because of the great technological changes that have occurred. But in the last year both coal production and the number of miners at work have continued to show small increases in the Appalachian region. The Department of the Interior recently reported that in the first 8 months of 1964, the number of Appalachian miners at work increased by some 2,400 men, and that coal production was up by 7 million tons in that period.

While the coal industry in this region shows some signs of increased recovery, as a practical matter, the Small Business Administration, though it may not specifically have language in its regulations, has adopted a policy which has made it very difficult for a small coal company to secure a loan. Also, other than the provision dealing with strip mining—which I think is very helpful and good—there is nothing in this bill which would promote and encourage the coal industry, so that increases in production can be met with additional employment in this industry which is a great—and again growing—source of revenue and employment throughout the area.

Has any consideration been given to a provision making available funds to groups of coal operators, and I think also of the men they employ, to enable them, perhaps through loans, to build tipples where they could have modern washing and coal cleaning machinery which is beyond the scope of any coal company except the very large and financially strong coal companies?

It seems to me that this is an area in which the existing industry could be strengthened. I am thinking of, say, one operator, or two or three, who cannot alone build the modern coal cleaning equipment, the tipples, the spurs which enable the proper preparation of coal, the cleaning of coal, the loading of coal, and the more economic movement of coal.

One of the unhappy developments in eastern Kentucky, and I am sure in other coal-producing States, has been the relative lack of attention to this situation. While the Federal Government has a great number of programs devoted to the development of the area, it seems to me that sometimes the programs actually have not worked in favor of the major industry of the area or at least have not given it any great encouragement.

Mr. SWEENEY. Senator, I would like to make a two-pointed response to what you have said. It was first of all the judgment of those who worked on the President's Commission that the way to begin the Appalachian program so that it would not become bogged down in a number of controversies was to stay away from aid to private industry as such, whether it be the chemical industries of West Virginia, the coal industries of the heart of Appalachia, the railroads which are an important factor. We couldn't come up with any solutions that were acceptable to all involved and therefore we had best avoid trying. That is a very simple answer.

But recognizing that coal is a vital resource in this region and as you said, Senator, in some parts it provides the major source of income and employment, the Commission recommended that one of the major efforts of the new Commission would be a study of the future needs of coal in power production and what could be done to strengthen the coal industry.

We hope that the Commission will undertake that study immediately upon its inception. But we didn't want to get in that field and delay what we think is an essential program.

Senator RANDOLPH. Senator Cooper, if I may make a very quick comment on this subject to say that in the State of West Virginia we have mined larger tonnages this past year than the year before or the year before, the largest, in fact, since 1957, and the companies that are producing coal are prosperous companies. The miners who are working, those who are actually working, are receiving of course excellent wages.

I wouldn't want to say there are fewer miners. We know this. In West Virginia there are perhaps 35,000 miners today. I recall not too many years ago when we had 115,000 miners. But we have large tonnages being produced not only in West Virginia but in Kentucky and other areas of the Nation. Senator Fong.

Senator FONG. Mr. Sweeney, this bill contemplates the appropriation of \$1,077 million, is that correct?

Mr. SWEENEY. Yes, sir.

Senator FONG. And the main thrust of the bill is for construction of highways in the area. You talk about 2,350 miles of development highway system. Is that the number of miles that is going to be developed?

Mr. SWEENEY. Yes, sir.

Senator FONG. This bill adds another 500 miles of access highway. Is this over and above 2,350 miles?



Mr. SWEENEY. Last year the entire construction was for 2,850 miles, 2,350 in development roads and 500 in access. We have asked for another 500 access, bringing it to 3,350.

Senator FONG. It is contemplated that this additional 500 miles will not increase the cost.

Mr. SWEENEY. That is right. The total cost is a billion and seventy-seven million.

Senator FONG. Approximately 84 percent of the total expenditure in Appalachia will be for roads.

Mr. SWEENEY. With one caveat if I could make it, Senator, that the \$840 million is for the entire life of the bill for the highways. The other appropriations or authorizations are for 2 fiscal years. So that there will be additional requests for the rest of the program outside of highways.

Senator FONG. This bill contemplates a billion and seventy-seven million dollars for how many years?

Mr. SWEENEY. For the highways, the entire program.

Senator FONG. \$840 million.

Mr. SWEENEY. For the rest of it for just 2 years.

Senator FONG. For 2 years work on other programs.

Mr. SWEENEY. Yes.

Senator FONG. What is the contemplated amount for the rest of the program to complete this project? You contemplate 20 years, is that right?

Mr. SWEENEY. We contemplate 6 years, Senator. The bill calls for the Commission to go out of existence in 1971.

Senator FONG. What would be the total cost of the whole program at the end of the sixth year?

Mr. SWEENEY. Senator, I know it sounds like I am ducking that question. We have not been able to estimate it because it would depend on the impact. If these highways generate additional traffic and begin to revitalize the economic life of the area and the local taxes increase, obviously the Federal needs would be less.

Secondly, we don't know what the vocational education program will be funded at over the next 3 or 4 years. Obviously what it is funded at will affect drastically what we have asked for here. The same thing is true throughout the bill. We do want to look at what Congress does for these programs in the entire Nation. What Appalachia's share of it is must be estimated before we ask for additional money.

Senator FONG. \$200 million you are asking for other things?

Mr. SWEENEY. Yes.

Senator FONG. The highway system will be completed with \$840 million?

Mr. SWEENEY. Yes, sir.

Senator FONG. And you don't expect to ask for any more money for the highway system?

Mr. SWEENEY. No.

Senator FONG. And then on the other activities you probably will be asking for as times goes along, but you just cannot tell now as to how much it will be.

Mr. SWEENEY. Yes, sir.

Senator FONG. Will you give us an estimated guess?

Mr. SWEENEY. I can refer back to the President's Commission when it estimated that perhaps a total Federal effort in Appalachia over the life of the program, 6 years, might reach as much as \$2 billion. We have asked for \$1,077 million in this bill but, Senator, that is really not an accurate and informed guess, because we do know Congress is upping its expenditures in other fields that have a direct bearing in Appalachia and thereby lessen the need for any special need in Appalachia.

Senator FONG. You have stated that the addition of the 500 miles of access roads will not increase the appropriation of \$840 million. Why does that not increase it?

Mr. SWEENEY. Within that \$840 million last year, Senator, \$50 million was reserved for the access roads, at that time, an estimated cost of \$100,000 a mile. Between the time that that bill was approved by the Senate and now we have subsequently found out that the States intend to use it at a cost per mile far less than previously anticipated. So for the same amount of money we believe that 1,000 miles can be built. The basic cost of the development highway system still remains at 790 and the basic cost of the access roads still remains at 50.

Senator FONG. What kind of a road would you get?

Mr. SWEENEY. One of the examples I think is most used is the forest access road that will open up a timber resource where it can be harvested now.

Senator FONG. Would this be macadamized?

Mr. SWEENEY. No, sir. That is why the cost has been reduced because the States have said they just want to build a well-graded gravel road.

Senator RANDOLPH. Mr. Sweeney, we are appreciative of your counseling with the committee. We know of your close attention to the details of this legislation. We will be calling on you later. We appreciate you and your assistants coming here.

Mr. SWEENEY. Thank you, Senator.

Senator RANDOLPH. We are glad to have the Governor of North Carolina here at this time. Gov. Dan Moore, we are glad to have you here, and we are happy to accommodate you in taking your testimony this morning rather than Thursday, and we are glad to have your counsel.

#### STATEMENT OF HON. DAN MOORE, GOVERNOR OF THE STATE OF NORTH CAROLINA

Governor MOORE. I appreciate the opportunity of being heard. I have a statement which I would like to read into the record, and I have filed the proper number of copies.

The President's Appalachian Regional Commission accurately observed in its report that Appalachia is a region set apart geographically and statistically where, too often, the average citizen has been hard pressed to keep pace with his counterpart in the rest of the Nation.

We in North Carolina have long acknowledged the special problems and the need for a program to stimulate the economic growth of our western counties. I am a native of that section of our State. I am among those who have witnessed firsthand a great new industrial



revolution in the State which has too often bypassed its western counties because there were too few roads for it to travel. This of course is partially due to the high cost of roadbuilding in this rugged region.

We are pleased by the highway building proposals contained in the Appalachian bill, for they strike at the very heart of the problem.

The program will provide relief to an area which has suffered economically because of an inadequate highway system. As the President's Commission realized, economic activity cannot proceed at the national average until the regional isolation has been overcome. Only roads will do this.

The Interstate System has crept to the foothills, but penetration of the rugged Appalachians has been slow and expensive. Even when completed, these great highways will not provide the final solution. Access roads of the type proposed in the Appalachian bill will be essential. Much of the region will not be served by the Interstate System. Access to some areas can be adequately provided only by a system of development highways. Further progress is dependent upon future roads.

While I have emphasized the importance of road funds, there are other outstanding features in this legislation. We are particularly pleased with the Federal-State relationship prescribed in the bill. It would provide a joint approach which should prove most valuable.

Let me emphasize that the people of the Appalachian counties themselves are not to blame for their predicament. They are resourceful, they are self-reliant, they are courageous. They have worked hard and they have accomplished much. They have never wavered in their determination to rise economically. It has frequently been discouraging.

Leaders in every Appalachian county in my State have been actively engaged in efforts to solve their own problems. Groups such as the Western North Carolina Associated Communities and the Western North Carolina Regional Planning Commission have been especially active and have had considerable success.

These and other groups realize, however, that an effective program is one which will offer assistance—such as roads—to help us realize our potential. The Appalachian bill offers this assistance.

I am encouraged by the priority President Johnson has given this program. I appreciate the promptness and the efficiency of this committee in dealing with this legislation. I endorse Senate bill 3 as a means to help the people of our Appalachian area help themselves.

That, gentlemen, is the statement which I would like to leave with you.

If there are any questions I might answer, I would be happy to do that.

Senator RANDOLPH. Thank you very much, Governor Moore.

I was particularly pleased that you have stressed the importance of the developmental and access road program as it would affect the Appalachian area of North Carolina.

As you well know, the Interstate System roads are projected on the basis of proven traffic loads. Here we go into a new concept, that of justifying roads on the potential of promoting traffic, traffic for industry, recreation, and for the well-being of our people.

It affects the well-being of 29 counties in North Carolina. This is a considerable area in your State. What is the total number of counties in North Carolina?

Governor MOORE. We have 100 counties.

Senator RANDOLPH. So this legislation covers more than a fourth of the counties in North Carolina?

Governor MOORE. Yes, sir.

Senator RANDOLPH. I think it is significant that you stressed the cooperative provisions of the bill, the Federal-State relationship. We certainly want that at an optimum, not only Federal-State but the local level of government as well. I would want the record to reflect while you are at the witness stand that we had the support of Senators Ervin and Jordan in this passage of this legislation, both of them casting their votes in favor of the measure when the Senate acted on it in the 88th Congress.

We are grateful for your testimony, and appreciative of your helpfulness to the committee.

Senator COOPER. Governor Moore, the fear has been expressed at times that once this bill is enacted and the Commission upon which the Governors or the delegates would be represented is established, there would be an erosion of the authority of the State or even such a lack of interest that finally the program would be organized and implemented wholly by the Federal Government.

I know that the Council of Appalachian Governors has played an important part in the development of this program, and I wonder if you could give us your thought about the way organizationally or otherwise the Governors of the States in this Appalachian area intend to continue their initiative, their interest, and their part of the Federal-State relationship.

Governor MOORE. I think the bill itself provides an excellent means for handling that, through the joint Commission.

In our State we would seek to work closely with the local and regional development groups which already exist. We have been fortunate, I think, in our State that we have these groups. They have worked faithfully toward the development of their particular areas, and I mentioned only two in this statement. We have many others in the State, in the northwest part of the State, the Northwest Development Association and others.

Working through them, I think that there would be a very close relationship from the local level through the State and to the Federal.

Senator MONTOLYA. I would like to ask this question: Governor, in these 29 counties which you mentioned, what is the unemployment rate on an average in those counties, compared with the unemployment rate in the rest of the State?

Governor MOORE. I don't have the exact figures, but I would say that it was noticeably higher than the other regions.

Senator MONTOLYA. What percentage of unemployment would you say exists in this particular area? Would you say 6 or 7 percent?

Governor MOORE. I should say at least 7 percent; yes, sir. It depends on what you term "unemployment."

As I mentioned, this is an isolated section in many instances. We have some employment there that the Federal Government has been attempting to stop for many years, converting some of our crops into



illicit products, but those I don't think that you could term "employed gainfully and lawfully" certainly.

Senator MONTTOYA. Now, excluding that particular very productive and wealth-producing avocation, and health producing, what is the industry that keeps people employed in this particular area, if any?

Governor MOORE. I would say that timber resources, wood products—of course, we are constantly growing so far as tourist attractions are concerned. That I think is one of the main features of this bill, to increase that tourist development.

Senator MONTTOYA. Have you conducted a resources inventory in this area?

Governor MOORE. Yes, sir.

Senator MONTTOYA. What besides timber do you have in this area, by way of natural resources?

Governor MOORE. I think our greatest natural resource is scenery. We have, I think, the most beautiful sections of eastern America. We unfortunately can't get to a lot of it unless you walk. Therefore, I think that this bill with the access roads, will be of invaluable assistance in that particular area.

Senator MONTTOYA. Do you have any minerals in this area?

Governor MOORE. We have scattered minerals; yes, sir. There has never been an extensive development except for clay and mica, and we have had copper at one time or another, but it has not proven very satisfactory.

Senator MONTTOYA. But basically, the thing that you want to develop in this particular area is tourism?

Governor MOORE. I think that would be a fair statement; yes, sir. That, and our timber resources are important.

Senator MONTTOYA. What is the average per capita income of these people in this area, as compared with the rest of the State?

Governor MOORE. Except in a few counties, it is much lower than the average. We do have a few counties, covered by this particular bill, where per capita income would be equal to that of the remainder of the State.

Senator MONTTOYA. How much would you say lower than the average in the State?

Governor MOORE. I would say 25 percent lower in many instances, than the State average.

Senator MONTTOYA. That is all, Mr. Chairman.

Senator RANDOLPH. Thank you, Senator Montoya.

Senator FONG. Mr. Governor, what is the unemployment rate in these counties, as differentiated from the other counties of your State?

Governor MOORE. It is considerably higher, as I stated. I should say it is some 6 or 7 percent higher than the State average.

Senator FONG. Six or seven percent higher?

Governor MOORE. Yes, sir.

Senator FONG. Has the State of North Carolina been able to meet its requirements in the Interstate Highway System?

Governor MOORE. Yes, sir.

Senator FONG. You are up to date now?

Governor MOORE. Yes, sir.

Senator FONG. You will be able to carry on what you have previously decided to do?

Governor MOORE. Yes, sir. There is one difficulty in our construction in this area, the high cost as compared to the other areas of the State. You take the same amount of money, and you don't get the same amount of mileage, so far as highway construction is concerned.

The area I think has its share of State highway funds, but those funds don't go as far when you start mountain construction as they do when you are in other areas of the State. The construction costs are higher.

Senator FONG. How is the financial health of your State?

Governor MOORE. It is good. Our bonds enjoy a triple A rating, which is the highest rating I think you have.

Senator FONG. Do you owe much money?

Governor MOORE. Well, sir, we owe considerable money. We recently authorized a \$100 million bond issue for schoolhouse construction. Those bonds have not been issued, but our credit rating is good in the State.

Senator FONG. Thank you.

Senator RANDOLPH. Thank you, Senator.

Governor Moore, while you are discussing the costs of highway construction, we do know that in the mountainous areas of Kentucky and North Carolina, and West Virginia, and Virginia, and Maryland, and other sections of Appalachia, a mile of Interstate System may cost twice the amount for construction in another more level area of the country.

In our most recent study, we find that the average cost—and, Senator Fong, you are aware of this I am sure—for a mile of interstate is running at about \$1 million. But in the mountainous areas of the country, many of these areas included in the Appalachian region, the cost is \$2 million a mile.

This doesn't take into consideration, of course, the increased estimates on the Interstate System as announced by the Department of Commerce through the Bureau of Public Roads within the last 3 or 4 days. In this report it is estimated that it will cost not the \$41 billion that Congress had reason to believe this system of 41,000 miles would cost as of 1961, when the earlier estimate was given. Now the cost of completion is estimated to be \$46,800 million.

When you stress the cost of road construction in the mountainous area of your State, it is applicable to the other areas in Appalachia as well.

I would add one point. Senator Montoya, in colloquy with you, indicated that tourism and recreation would be a major result which would flow from construction of roads.

We in West Virginia would like to believe that there would also be a stimulation to industry, using timber products and other products indigenous to the area. Would this be true in North Carolina?

Governor MOORE. It certainly would, yes, sir, and we have found that to be true. Where we have adequate highway systems in the mountains, that industry will come in. I think that would be stimulated greatly by this bill.

Senator RANDOLPH. I have asked Mr. Royce of the Public Works Committee to provide me with figures, and he just presented them in connection with your discussion as to the per capita income. We find that the average national per capita income, I believe these are the



latest figures, is at the rate of \$1,900 annually. In Appalachia, it is approximately \$500 less on a yearly basis—\$1,400 a year.

Governor MOORE. I am sure those figures hold true in many counties in our State, though in some, as I stated, I think it would be higher.

Senator RANDOLPH. Thank you very much, Governor Moore. The committee has been helped by your testimony.

Governor MOORE. Thank you, sir.

Senator RANDOLPH. That we may expedite the witnesses forming our panel, I will ask Mr. Pyles, Dr. Yoho, and Mr. Mersereau to come to the table together.

Mr. Pyles, you, in a sense, are in the middle today, but we know it is a cooperative panel. We would like you to identify yourself for the record and I believe that the three of you will each have some 5 minutes of presentation and then we will work back and forth with the committee and questions.

### **STATEMENT OF HAMILTON K. PYLES, DEPUTY CHIEF, FOREST SERVICE, DEPARTMENT OF AGRICULTURE**

Mr. PYLES. Thank you, Mr. Chairman.

Mr. Chairman and committee members, I am Hamilton Pyles, Deputy Chief of the Forest Service, Department of Agriculture.

I appreciate this opportunity to appear before your committee once again to comment on section 204 of the Appalachian Regional Development Act relating to timber development organizations. Since the hearings on Appalachia last June, we have been studying the timber development organization concept with the committee staff, representatives of the timber industry, and with State and extension foresters. Our hope was to reach agreement on an approach to an organization that would do the best job for the Appalachian region and its people.

The forests of Appalachia are potentially among the best hardwood-producing areas of the country. If properly developed, managed, and utilized, Appalachia's timber resources can become the foundation for permanent economic strength in countless rural areas of the region.

Much of the Appalachian forests are unmanaged regrowth that has followed clearcutting of heavy stands of timber which reached its peak about 50 years ago. Much of the timber that is left after subsequent, repeated "high-grading" is small or defective low-grade material. Millions of acres need planting and stand-improvement measures.

One of the principal reasons that the people of Appalachia have not been able to properly manage or utilize their timber resources is the fragmented pattern of timber ownership throughout the region. About three-fourths of the timberland is in some 1 million farm and other small holdings averaging less than 50 acres in size. Our studies indicate that a lack of investment funds, limited knowledge, or technical assistance, and the very "smallness" of these holdings are some of the reasons that the small landowners fail to develop and use their potentially valuable timberlands.

There is now and will continue to be a strong demand for high-quality timber. Small forest owners in Appalachia can be assured of markets for their trees if they can produce high-quality logs of desirable species.

We believe the proposed organizations can be an effective vehicle for helping small owners in Appalachia improve the productivity and quality of their woodlands. They could provide needed technical assistance to encourage consolidated, long-term, professional management of small private timber holdings.

Section 204 would provide for the creation of private, nonprofit organizations established under State law. Operating under a State charter, the forest owners, with technical guidance and assistance from State and extension foresters, would determine the character of their own organization.

These organizations will have to be adapted in form and purpose to the particular needs of specific local areas. They will be established only after careful study of all relevant factors bearing on their chance of success. These factors would include the patterns and size of timber holdings, transportation systems, existing markets, and possible support and membership. The character and size of an organization would be completely flexible. Only after careful study and discussion with affected people, industries, and organizations would the ultimate character of any one organization be formulated.

There is a wide range of possible sizes, objectives, and types of organizations from which an individual organization could be developed. On one hand, an organization could be patterned after the work of the New England Forestry Foundation, which is an organization that has been successful in the last 20 years. This type of organization could provide the individual woodland owner with a complete forestry service. This includes the development of a management plan, marking, and measuring trees for sale, supervision of sale and harvesting, and timber-stand improvement. This type of organization is a private, nonprofit corporation which operates through forest development centers.

Each center is in charge of a professional forester who serves a geographical area within reasonable traveling distance of his headquarters. The only timberlands owned by the organization would be donated tracts managed for demonstration purposes. A permanent fund would be established from donations made to perpetuate its work. The objective of such an organization would be the administrative consolidated management of small forest properties without formally binding the individual owner.

On the other hand, there is a need for a type of organization which would permit the consolidation of small forest properties into management units large enough for efficient development and operation. This nonprofit organization could be formed by any association of landowners who would set up an organization to manage their lands.

The organization would manage these forest tracts under long-time agreement. There would be no movement of people from their lands, although some key tracts may need to be purchased by the organization if owners wished to sell. The consolidated timberlands would be rehabilitated and managed by professional foresters with receipts from the sale of timber from his land going to the individual landowner, less the costs of the organization's service.

Between these two examples, any number of organizations of different characters could be developed to meet the needs of particular sit-



uations. We would expect to set up three or four such organizations throughout Appalachia as pilot projects in fiscal year 1966.

Under section 204, the Federal role in the establishment of an organization would be: First, the Secretary of Agriculture would contract for a feasibility study resulting in a prospectus for a particular organization.

Second, the Secretary of Agriculture would provide up to one-half of an organization's initial capital requirements through loans under the Consolidated Farmers Home Administration Act. Applications for such loans would be supported by management plans and programs of the organization.

Third, the Secretary of Agriculture would provide technical assistance through the established channels of State foresters and/or extension foresters in the organization and operation of the organization. The Federal role would thus be limited to the initial survey and study, processing of loan applications, and financial support of State-level technical assistance.

The organizations which would be established under section 204 will aid the people of Appalachia in taking a more substantial place among other States and regions of this country in supplying the Nation's timber needs and sharing in the timber economy. Additional benefits such as urgently needed watershed protection and beautification of the Appalachian landscape will result from forest resource development, adding to the area's recreational attraction. Certainly idle acres or unproductive acres have no place in the Great Society.

Senator RANDOLPH. Thank you, Mr. Pyles.

Senator Copper and Senator Fong, if agreeable, we will have Dr. Yoho and Mr. Mesereau present their statements and then we will come to the questions.

Dr. Yoho, will you identify yourself and, of course, we know your university, but you appear in another capacity today.

**STATEMENT OF JAMES G. YOH0, PROFESSOR OF FOREST ECONOMICS,  
DUKE UNIVERSITY, RESOURCES FOR THE FUTURE, INC.**

Dr. YOH0. My name is James G. Yoho, and I am professor of forest economics of Duke University. For the past 6 months I have been engaged in a study of the potential role of the forests of the Appalachian region as a possible vehicle for the economic redevelopment of the area. Most of the opinions expressed here are based on the preliminary results of that research. They also are the product of many years of study and research in this specialized field. My most relevant previous work was "North Carolina Lands," a 372-page book coauthored with K. B. Pomeroy of the American Forestry Association and published by that organization. This was a detailed study of the ownership, use, and management of forest and related lands in North Carolina.

This statement is aimed most directly at section 204 of S. 3, but it has implications for all of the forest-related problems likely to be encountered by the Appalachian Regional Commission as it undertakes to implement this act. It will likely encounter such problems quite often since the commercial forest area of the region totals some 67 million acres, or about three-fifths of the total land surface. These

forest resources play a significant role in the economy of Appalachia today, as they have for many years. No doubt the Commission will find many of its decisions have implications for this sector of the economy since it is so deeply intertwined with the total regional economy. In turn, the welfare of this segment of the economy will bear strongly on the economic welfare of the region.

#### TIMBER DEVELOPMENT ORGANIZATIONS

The timber development organizations provided for under section 204 resemble cooperatives in certain key aspects. This is due to the fact that the scheme makes use of the pooling device to secure better marketing opportunities for individual forest-land owners and as a means for providing effective forest improvement work on the lands of participating owners.

Forest cooperatives in the United States have been characterized by a long history of failures, thus a cautious approach for this effort is suggested, the suggestion, as I think Mr. Pyles has indicated, that we ought to view these efforts as experimental to a considerable extent. Nowhere have forest cooperative schemes met with such failure as in the United States when they have been quite successful in other parts of the world, mainly Scandinavia and even in Japan. Of course, forest cooperatives have been fraught with all the difficulties that have beset all sorts of cooperative ventures in the United States, and in particular, agricultural cooperatives, but the remarks I want to make this morning apply more specifically to the unique difficulties of operating a forest cooperative. I think the basic difficulty for these failures has been that we have insisted that they accomplish forest development objectives as well as to perform marketing services. The marketing efficiencies that have been gained in the form of greater returns per comparable sale for members versus nonmembers has not been sufficient to sustain the costs of the developmental work that has been recommended for the forest by the foresters managing these organizations. The result has been that owners selling through cooperatives may actually have ended up with less cash in hand at the end as opposed to one not operating through the cooperative. Of course, he may have had, and undoubtedly did have in most instances, an improved woodlot, but he may not have ended up with any more and may have actually ended up with less cash in hand. So the owners frequently lost interest under those circumstances.

Another factor has been that the market bargaining advantages of these cooperative efforts have tended to dwindle over time. Now, this follows because the membership was usually limited to a relatively small area, such as a single county, and the forest resources haven't been sufficiently scarce to force timber operators to restrict their operations to these few counties that might have enjoyed the services of the cooperative. Thus, the forest industry being the almost perfectly competitive industry that it is, was forced to seek its raw material supply outside the co-op, outside the operating area of the co-op.

One of the fundamental causes of these failures has been that the marketing efficiencies gained through pooled selling efforts have not been great enough to finance the investment in timber development for deferred yield which the managing foresters usually advised; that is



to say, although the cooperatives were usually able to secure increased gross returns for members as opposed to nonmembers per comparable sale, the organization ordinarily reinvested in the members' lands an amount in excess of this additional return. Thus, the owner very often ended up with less cash from his sale than a nonparticipating neighbor from a comparable sale, and this was usually enough to discourage his continued cooperation despite the fact that his forest was put into better condition for future prospective yields than his neighbor's.

This dilemma suggests that if the landowners participating in the proposed timber development organizations could draw from agriculture conservation program funds or from similar governmental sources for a significant portion of the costs of their forest improvement work, their interest would be retained and perhaps the success of the venture sustained. Unfortunately, however, only a small share of ACP funds have ever been funneled into forestry practices—and that share has averaged less than 3 percent per year. Increased ACP money specifically earmarked for forestry purposes in Appalachia would seem to be a logical answer. In addition, if a sufficiently large appropriation were available for this purpose, it could have a significant impact on the underemployment which exists in the rural areas of the region since most forestry improvement work is very labor intensive.

What are some of the partial answers to some of these dilemmas? One, I think, in the case of Appalachia, is this: that perhaps increased ACP funds could be made available to the small owners working through these timber development organizations to help more directly sustain the forest development costs that the organization is undoubtedly going to recommend to them.

The other, of course, would be something that would step up the local demand for timbers or the demand for timber generally. The result would be increased advantages for these local efforts, of course.

With regard to the forestry practices themselves, most forestry practices are quite labor intensive, so I could envision they would contribute somewhat to the underemployment in the rural areas of Appalachia, for example, if ACP funds could be made available for that purpose.

Now, if following through on my assumptions is correct, that many of these people actually have the funds for investing in their timberlands, but are not doing so for the lack of followup guidance, then certainly the TDO could perform that function.

Now, in conclusion, regarding the potential role: Timber development organizations in the total perspective of all of the problems of Appalachia, I doubt seriously whether we would expect a great deal of economic uplift from the timber development organization itself. The main reason for this, in my judgment, is that the timber development organization is essentially supply oriented and I fear that the basic problem besetting forestry in Appalachia and through most of the hardwood regions of the Eastern United States is a lack of demand rather than a supply problem.

My previous research into the problems faced by forest-land owners in many sections of the country leads me to believe that timber development organizations operated along the lines of the New England Forestry Foundation could fill an important need. I refer to the difficulty

encountered by many individual owners in obtaining persons to perform the on-the-ground management of their forests. Frequently these owners actually have the capital for undertaking costly forest improvement investments, but lack both the time and special skills for pursuing the matter. Most such owners have holdings ranging in size from 500 to 5,000 acres, so considerable forest acreage would be involved. I would estimate that there are about 29,000 ownerships in this size category in Appalachia and that they account for about 26 million acres of commercial forest.

#### FOREST RESOURCES

The testimony given before the last Congress on the proposed Appalachian Redevelopment Act (S. 2782, H.R. 11065, and H.R. 11066, 88th Cong.) reveals that many people believe general timber resource scarcity, either present or projected, is severely limiting the contribution of the forests of Appalachia to regional income. My research fails to substantiate this opinion.

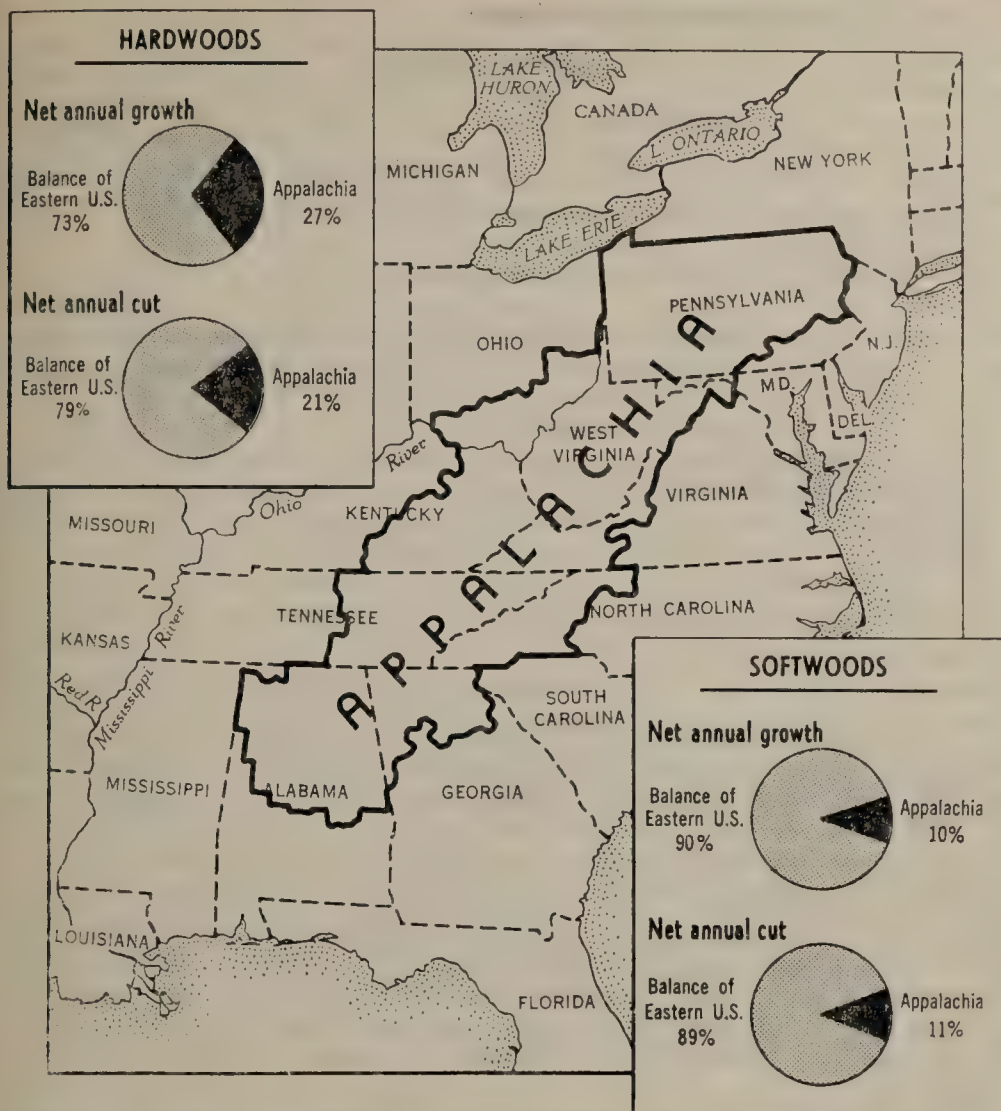
Appalachian timber in all inventory categories is growing more rapidly than it is being harvested. Beyond that, both forest areas and volume are building up in Appalachia at a faster rate than in the balance of the United States. For example, between 1953 and 1963, the commercial forest area of all Eastern United States increased by less than 2 percent, while Appalachia's increased by more than 6 percent. At the same time, Appalachia's share of all U.S. commercial forest area increased from about 13.1 to 13.4 percent.

The manner in which the Appalachian region is accumulating timber volume relative to other parts of the United States is brought out vividly by the pie charts inset on the map of Appalachia included with this statement. All of the relationships shown are based on data included in the report of the President's Appalachian Regional Commission's Task Force on Forestry entitled "Appalachia's Forest Resources—Timber," October 1963.

Dr. YOHO. These charts are in terms of all growing-stock volume—trees of 5 inches in diameter breast high and larger. By comparing the relative shares of total growth and total harvest in Appalachia and the balance of Eastern United States, the charts reveal how hardwoods, which comprise over 82 percent of the timber volume of the region, are accumulating there much faster than in the balance of the major hardwood-producing portion of the United States. In the case of softwoods, however, the charts show volume accumulation in Appalachia lagging somewhat behind the balance of Eastern United States.

Although not shown by the charts, the absolute, as opposed to the relative, relationships between timber growth and harvest in Appalachia are even more striking. All hardwood-growing stock is accumulating three times faster than it is being cut, while the ratio for softwoods is  $1\frac{1}{2}$  to 1. Forest survey reports by the U.S. Forest Service for specific areas of Appalachia, published after the President's Commission's report, portrays an even more vivid picture of timber accumulation. In West Virginia, the volume in sawtimber-size trees doubled while total growing-stock inventory increased by more than 80 percent between 1949 and 1961—probably a record increase for any U.S. forest area of comparable size. In east Tennessee, total growing-stock volume increased by 28 percent between 1950 and 1961. For





all of the Eastern United States, the increase for the period 1953-63 was less than 17 percent.

The rate of timber volume accumulation in specific species categories of sawtimber—the usual barometer of overcutting—shows no exception to the generalized data just cited. Hardwood timber volumes, even in the case of most high-value species, excepting hard maple, are building up faster in Appalachia than in the balance of the United States. Softwoods are a different story. Among that group, the buildup in all species categories except spruce and fir lags behind the balance of the Eastern United States. The tabulation below, based totally on information contained in the report of the President's Appalachian Regional Commission's Task Force on Forestry entitled "Appalachia's Forest Resources—Timber," October 1963, brings out these details. The tabulation shows the annual cut of sawtimber as a percent of annual growth on commercial forest lands in Appalachia compared with all of the Eastern United States (for softwoods) and the total United States (for hardwoods).

(The tabulation referred to follows:)

[Cut as percent of growth]

Species group	Eastern United States	Appalachia
Softwoods:		
Southern yellow pine.....	53.3	59.8
Eastern white and red pines.....	71.9	91.9
Spruce and balsam fir.....	62.4	12.5
Other softwoods.....	55.6	87.0
Total.....	54.7	63.5

Species group	All United States	Appalachia
Hardwoods:		
Select white and red oak.....	67.5	60.0
Other white and red oak.....	71.0	41.5
Hickory.....	42.0	21.5
Yellow birch.....	58.4	27.4
Hard maple.....	63.3	73.1
Sweet gum.....	97.8	94.0
Ash, walnut, and black cherry.....	35.7	20.5
Yellow poplar.....	56.6	36.8
Other hardwoods.....	52.2	58.6
Total.....	60.5	47.8

The foregoing discussion of Appalachia's forest resource situation suggests at least two points for a regional forestry program beyond simply refuting the resource scarcity myth. First it suggests that a forest resource improvement program should give a great deal of attention to softwoods because they enjoy the best marketing possibilities in the region. In fact, there is some evidence to indicate that the lack of softwoods over wide areas within Appalachia (along with water) is discouraging the expansion of the woodpulp industry into the region. Despite the abundance of timber in Appalachia, woodpulp mills in the region apparently ship just about as much pulpwood into the area as they obtain locally. Doubtless almost all of that imported is softwood.

The second point the resource picture of Appalachia suggests is that any forest program should concentrate to a considerable extent upon the high-value hardwoods. This follows from the fact that the cutting of hardwoods in Appalachia tends to be concentrated among the high-value species and the fact that these species exhibit strong upward price trends.

One final point regarding the forest resource situation may warrant mentioning now that the possibility of resource scarcity has been refuted. It has to do with a school of thought, quite common in conservative forestry circles, which in effect assumes that an increasing supply automatically generates an increased demand. This often leads to the advocacy of investments in resource improvement measures with little or no regard for present demand.

Given the forest resource picture in Appalachia as outlined above, this concept must be rejected. As has been shown, timber volumes have been accumulating at an astonishing rate. At the same time, the total volume of timber harvested appears to have declined somewhat. (Reliable long-term data for all classes of timber harvested in Appa-



latchia are not available. Lumber output has remained fairly stable over the past 50 years. Pulpwood production has increased significantly in recent years but this appears to have been more than offset by drastic declines in fuelwood cutting plus at least modest declines among miscellaneous products.) This points to the need for focusing efforts on the demand side of the supply-demand equation.

#### THE FOREST-BASED INDUSTRIES

The potential contribution of the forest of Appalachia to regional income depends heavily upon the economic soundness of the industries using wood as a raw material. The primary reason for this rests with the fact that most of the economic uplift that can be expected from the forests of Appalachia must come from measures directly aimed at increasing the use of wood. This follows since improvements in the forest resource supply which have been taking place have not resulted in significant increases in timber sales at the stump or in the consumer market.

Among the industries using wood as a basic raw material, those accounting for a very large share of total usage have failed to keep pace with general economic expansion. Three major exceptions are the woodpulp, plywood, and hardboard industries. Unfortunately the group which accounts for most of the lag, namely the lumber and wood products group (SIC 24), tends to be concentrated in Appalachia whereas those which have enjoyed relatively healthy expansion occur less frequently in the region.

Evidence indicates that the lumber industry, the major component among the nongrowth forest based industries, could likely have shared more favorably in the expanding U.S. economy if its product prices had not risen more rapidly than those of competing materials. This is especially true in the case of the hardwood portion of the industry inasmuch as its prices have risen more than lumber prices as a whole.

It follows from these arguments (assuming no resource scarcity) that the lumber and wood products industries must become more efficient in order to produce better products at lower prices if the use of wood is to be increased at the consumer level and production from the forests of Appalachia similarly increased. In recent years this group of industries has been adjusting rapidly to more efficient plants and product prices have tended to level off. Both extremely large and very small plants recently have proven to be inefficient, hence the range in plant sizes has been narrowing.

Since Appalachian plants in general were quite small, the adjustment there has been almost entirely toward fewer and larger plants. This is brought out by the fact that Appalachia's share of all U.S. lumber and wood products establishments declined from 16.6 percent in 1947 to 11.6 percent in 1962. But its share of all employees declined only from 9 to 7 percent while total production remained fairly stable during the same period.

The immediately foregoing analysis suggests that the legislation being considered here should authorize and encourage the Regional Commission to facilitate these adjustments toward more efficient wood processing industries in Appalachia. Unfortunately, the more capital intensive firms that will result may offer somewhat fewer jobs in the

short run. However, they are likely to be able to provide better paying and more stable jobs in the long run.

The Commission might facilitate these desirable adjustments by encouraging the consolidation of small firms and by assisting them in locating at advantageous points. These efforts should be coordinated with governmental loan programs, such as the ARA. In effecting such coordination, fewer but larger loans to more carefully screened applicants would likely result in larger and more efficient operations.

Despite the trend toward fewer and larger plants in the lumber manufacturing business, the possibility of establishing a new concern with a small amount of capital is likely to persist for many years. This possibility has led to very costly business instability in the region in the past. For instance, in West Virginia, there were 811 active entrepreneurship in the sawmill business in 1959 but by 1963, 525 of these had ceased operations and 195 entirely new operators had entered the field.

This suggests that some type of entrepreneurial training and technical assistance programs should be launched in the region. Perhaps a broadening of the forestry extension program handled by the land-grant colleges would be the most effective approach. But however handled, our experience along these lines in agriculture demands that we proceed with caution in order to avoid encouraging small, inefficient, low-income producing operations. In other words, if a wood products training program is to make a positive contribution to the region's economic growth, it should be as much concerned with discouraging the formation of new poor-risk firms as with encouraging those likely to succeed.

#### RESEARCH IN FOREST PRODUCTS

Research probably offers the greatest hope for bringing about improvements on the demand side of the forest products supply-demand equation and consequently offers the best prospects for improving Appalachia's economy through its forest resources. (In the strictest economic sense, research which leads to product improvement amounts to supply improvement which it is assumed will eventually lead to greater sales. The technical economic terms of supply and demand purposely have been used loosely here in order to simplify the arguments presented.) Research not only leads to improved industrial efficiency and hence lower product prices but also to product innovation and thereby to completely new markets as well.

The forest products industries have a notoriously poor record with regard to investment in research. But this is not surprising when one considers the fragmented structure of these industries. In the case of lumbering, for example, the concentration ratio (usually measured as the percentage of the value of shipments within an industry handled by the few largest firms) is one of the lowest in U.S. manufacturing. Therefore, as most economists agree, it is doubtful that individual firms in such an industry can afford to make significant investments in research though in the long run, their very survival may depend upon it. As Professor Galbraith has pointed out:

Improvements in technology do not come by accident. They are the result of investment in highly organized scientific and engineering knowledge and skills. Yet we do very little to increase the volume of this investment, except



perhaps where some objective of military urgency is involved. Rather we accept whatever investment is currently being made and applaud the outcome (John Kenneth Galbraith, "The Affluent Society").

Under such circumstances the question is: How can greater investment and thereby greater emphasis on research be obtained? Perhaps a two-pronged attack is in order: increased public funds for basic research and a means for encouraging acceleration of applied industrial research.

Basic research in the modern world requires a great concentration of effort to produce the real breakthroughs that are capable of revolutionizing whole industries. And, indeed, at the rate hardwood timber is accumulating in Appalachia and elsewhere, perhaps nothing short of a significant research breakthrough will accomplish the results we are seeking. As a consequence, I would strongly urge an increase in the availability of public funds for basic research in the utilization of hardwoods.

Every effort should be made to see that any additional public funds made available for forest products research are spent for basic research. Too often in the past we have yielded to the temptation of scattering governmental research appropriations among many small centers which are individually incapable of performing basic research. If such funds should be forthcoming, it is conceivable that most of the money should be spent through existing facilities outside of Appalachia, such as the U.S. Forest Products Laboratory, for example. Certainly a proliferation of small laboratories throughout Appalachia should be avoided.

The advisability for encouraging more applied research among the forest products industries, or among all fragmented industries for that matter, presents a problem which warrants more study. There is no doubt but what firms in such industries are at a disadvantage compared with the few large firms in concentrated industries when it comes to investing in product development. Personally, I would favor a special tax credit for money spent on research through multifirm associations as opposed to that spent within the firm.

It seems impossible to overemphasize the need for more research effort if the forests of Appalachia are going to play a significant role in regional economic recovery. The argument in favor of this approach has been summarized quite succinctly by a recent report of the Forestry Research Advisory Committee of the USDA which stated in part:

Recent trends in consumption of wood products, together with increased growth and supply of timber, point up an urgent need for expanding markets to use available wood supplies. Also, there is much unemployment and need for economic development in many areas where the bulk of the Nation's surplus timber is located. Full contribution of this resource to the Nation's economy can be realized only through finding ways of improving markets for these materials. (Report and recommendations of the Forestry Research Committee, U.S. Department of Agriculture, developed at its 13th meeting, Oct. 26-30, 1964.)

Thank you, Mr. Chairman.

Senator RANDOLPH. Thank you, Dr. Yoho.

Mr. Mersereau, will you present your statement?

**STATEMENT OF H. S. MERSEREAU, VICE PRESIDENT AND GENERAL  
MANAGER OF THE SOUTHERN DIVISION OF GEORGIA-PACIFIC  
CORP., AUGUSTA, GA., ON BEHALF OF THE FOREST INDUSTRIES  
COUNCIL**

Mr. MERSEREAU. Mr. Chairman and members of the committee, I am H. S. Mersereau, vice president and general manager of the southern division of Georgia-Pacific Corp., Augusta, Ga. My company has major land and mill investments in several of the Appalachian States. All of the Appalachian industries are deeply conscious of the economic conditions of the region. I am appearing here this morning as a representative of the Appalachian committee of the Forest Industries Council.

Since November 1963 the FIC Appalachian committee has been working with the President's Appalachian Regional Commission and its successor—the Federal Development Planning Committee for Appalachia; the Forest Service and Department of Agriculture officials; and private consulting foresters to develop a sound workable program for the Appalachian region's forest economy.

The Forest Industries Council is the policy coordinating organization of the three related forest industries: lumber, pulpwood, and paper. The three national associations comprising the council are: The Pulp, Paper & Paperboard Institute, which is composed of many pulp and paper product associations and represents almost the entire papermaking industry; the American Pulpwood Association, representing private landowners, processors, suppliers, and pulpwood producers throughout the Nation; and the National Lumber Manufacturers Association, which is composed of 15 regional, species, and products associations, representing lumber and wood products producers throughout the country.

During the past 14 months the FIC Appalachian Committee has conferred periodically with numerous Federal and private organizations; has studied the many reports; and is extremely pleased to report many of its suggestions are included in the administration's program.

We participated in conferences with Agriculture and Commerce Department officials in the formation of this specific proposal. It represents an important step forward in the preparation of legislative proposals. All parties affected by the proposal worked together. Our chairman today can take much of the credit. We have successfully ironed out most of the disagreements over the intent of the proposal and the meaning of the language and are in general agreement on what is the best possible approach. I testified on this program in the last Congress and have sat in on discussions since. I am very pleased to report that industry, agencies, Commission, and committee staff have conscientiously worked together to hammer out a proposal which stands a good chance of working to the betterment of the Appalachian timber economy.

I want to express my thanks and that of the Nation's forest products industries to Mr. Sweeney, Mr. Pyles, and to this committee for helping create the spirit of cooperation from which has flowed this program. We hope that this is a prelude to similar cooperative efforts on other legislative proposals affecting the forest industries, and the



communities dependent on their operations for jobs, payrolls, and economic stability.

The language proposed here in section 204 was jointly created. We still have some questions which I want to raise. The forest products industries intend to make this program work for the benefit of the Appalachian forest economy, which includes timber growers, woods workers, manufacturing workers, consulting foresters, manufacturers, and forest communities.

#### INDUSTRY PROMOTION

The forest products industries are actively working to improve this forest economy by expanding the markets for the abundant forest resources now standing in the Appalachian Mountains. We cite with pride the oak promotion program of the Appalachian Hardwood Manufacturers, Inc. This is an industry association program which in a few short years has resulted in a dramatic increase in oak used for furniture.

In 1962 we found that oak, the finest cabinetwood in the world, was not holding its rightful place in the domestic furniture market. An Oak Committee of the Appalachian Hardwood Manufacturers, Inc., went to work to find out why oak was not being used for fine furniture. The answers: poor design, poor finishes, reputation of massiveness. The association members adopted a 45 percent dues increase to carry out a promotional and education program for Appalachian oak. We worked with finishing firms and designers; we held "oak workshops"; we hired a public relations counsel; and we carried out a research project at North Carolina State College to find the best way to bleach oak to insure its taking the desired finishes. The association alone has spent \$50,000 in the last 2 years telling the story of Appalachian oak. The individual companies have spent additional amounts.

As a result, the market position of fine Appalachian oak has been strengthened. In 1962 only four major furniture firms were offering oak suites. Last year 50 firms were offering oak suites that show style and elegance in design. Coupled with this recognition has been a steady increase in manufactured quality and an increased return to the Appalachian manufacturer and timber grower. The potential future increase for oak and other Appalachian hardwoods is almost unlimited.

This spring the Appalachian Hardwood Manufacturers, Inc., will take a trade show to London, England, to promote the expanded use of quality Appalachian hardwoods in European furniture styles. An exploratory trip to England last year was enthusiastically received and our program shows every promise of creating an expanding market for our superior hardwoods.

No less dramatic has been the upsurge in pulp and paper production from Appalachian woods after intensive research developed a practical approach to pulping hardwoods. New processes are being developed which will substantially reduce the water requirement for pulping and allow expansion of pulp and paper operations throughout Appalachia. We already have an abundance of timber—these new processes may help us convert it into jobs, payrolls, bank deposits,

consumer goods, community stability, and a higher living standard for the Appalachian region.

A subject that gave us trouble last year were the comments about a predominance of low-quality timber throughout the Appalachian region. The industry knows we have excellent quality timber and it is the reason why my my company and others are investing heavily in the region. We are increasing the output of high-quality material every year. We are appreciative that those inferences are not to be drawn from S. 3 because they create unnecessary marketing difficulties.

#### TIMBER DEVELOPMENT ORGANIZATIONS

The timber development organizations proposed in section 204 are, we believe, a positive approach to providing increased forest management services to develop and market the region's forest products. The TDO concept is patterned after the New England Forestry Foundation established in 1944 to provide management and marketing services to timber growers in the New England region. That area is not unlike the Appalachian region with a preponderance of small landownerships, rural population, winding roads, and hilly country.

We feel that this type of organization, providing essential forest management services, can successfully promote the production and utilization of increasing quantities of Appalachian timber. The word "utilization" is essential, for if the timber resource is not used—even today we are growing substantially more than is being used—there will be no market for the timber and no incentive to the timber grower to make needed investments in forest development. Accordingly, we believe that the TDO's services should be directed primarily at increasing utilization as well as increasing quality timber production.

To serve this dual function, the TDO should not be dominated by either the timber grower or the forest products manufacturer. The TDO should be responsive to the needs of each, but dominated by neither.

For this reason, we question whether the TDO as a private, non-profit, self-sustaining service organization should be actively acquiring commercial forest land with loans from the Federal Government. We wonder if it isn't an inconsistency for this nonprofit service organization to engage in purchasing commercial forest land for timber production. The income to individual timber growers is the most important ingredient to increased timber production.

We also wonder how this organization can help individual timber growers secure the best market for their products if the TDO is purchasing its own forest lands and growing and marketing substantial volumes of its own timber in competition with those of its clients. While our industry will help to make the TDO's work, we are afraid this built-in conflict could become a fatal flaw in an otherwise workable and effective program.

Land owning as an objective of the TDO is not one of the industry suggestions, and I think is the only issue on which the Appalachian Committee, the Forest Service, and the industry have not been able to agree. We think it is a basic inconsistency endangering the TDO concept.



## DEMONSTRATION FORESTS

We do believe the TDO should accept donated lands and manage them as demonstration forests on which detailed books and records will be kept to clearly demonstrate the economic advantages of modern timber-growing methods. The products from these demonstration forests will be offered in commerce in competition with the TDO's clients, but not in sufficient amounts to be a conflict of interest. They will be publicized and subject to constant public review and analyses.

## MANUFACTURING, PROCESSING OR MARKETING

Under S. 3 the TDO cannot use the Federal loan funds to acquire or construct any facilities for the construction or acquisition of facilities for manufacturing, processing, or marketing forest products. This is based on two sound reasons: (1) It would establish a TDO in direct competition with the existing and potential privately owned local manufacturing industries which the TDO is supposed to benefit, and (2) the experience of the successful New England Forestry Foundation. The NEFF, after attempting manufacturing and marketing of forest products, found that it was not compatible with their basic purposes.

## SUMMARY

If the TDO has its own products that must be marketed on a profit-making or non-profit-making basis now, will it be able to deal aggressively for its clients in marketing their products?

This built-in conflict may undermine the confidence of either the private timber grower or the timber-using industry. My own company and most of the Appalachian manufacturers buy a considerable volume of timber through consulting foresters and timber brokers. They perform a valuable service and are subject to the time-honored ethical concepts applicable to an agency relationship.

As you well know, the success of such a new concept as the TDO in the Appalachian area is going to depend on its acceptance by naturally skeptical folks.

The particular phrase in the proposal that concerns us is that beginning on page 19, at the end of line 7, which reads:

(B) physical consolidation of small holdings or administrative consolidation for efficient management under long-term agreement.

"Physical consolidation" means outright purchase of private commercial forest lands by the TDO. We suggest that it should be amended to read:

(B) administrative consolidation of small holdings for efficient management under long-term agreements.

Under "administrative consolidation" the TDO could enter into management contracts with its individual timber-grower clients rather than becoming a federally financed landholding organization in competition with its clients.

It may well be a proper function of the TDO to foster "physical consolidation" of forest land among its clients, thereby assisting them to become more efficient timber growers, but the TDO itself should not be the landowner.

We feel that any increased landowner profits should go directly to the timber growers and not to the TDO which Congress is creating.

We all agree that the TDO program is experimental and that extensive feasibility studies should precede establishment. If later there is shown a clear need or proven defect in the TDO proposal, then we will assist the Appalachian Commission and the Forest Service in seeking the solution to such defects.

In line with my statements the Forest Industries Council suggests the following amendment to section 204:

Amend lines 7 through 10 on page 19 to read:

“(B) administrative consolidation of small holdings for efficient management under long-term agreements.”

In closing, I again want to express the industry's appreciation to Mr. Sweeney and his staff, and to Mr. Pyles and other Department of Agriculture officials and to this committee for permitting the forest industries to participate to the extent we have in developing this proposal. I especially want to thank the chairman of this committee for helping create the spirit of cooperation and mutual confidence. We sincerely hope that this sets the stage for a similar cooperative approach as to future legislative proposals.

I submit a statement on the history, purpose, and organization of its New England Forestry Foundation, which is mentioned in our statement.

(The exhibit is as follows:)

#### NEW ENGLAND FORESTRY FOUNDATION

##### HISTORY, PURPOSE, AND ORGANIZATION

The New England Forestry Foundation was organized and incorporated in June 1944 after a careful study of the problem of bringing forest management to the private woodlands of New England. (This study was made by a committee set up by the Massachusetts Forest and Park Association.) It is a nonprofit corporation, chartered under Massachusetts law to provide complete forestry service to woodland owners at cost.

In order to give personal service to clients, the foundation operates through forest management centers. Each center is in charge of a resident forester and covers a radius of about 40 to 50 miles.

##### CORPORATION

The foundation is governed by a membership limited to 50 citizens of New England who elect a board of directors of 13 members, including a president, vice president, secretary, and treasurer. The directors in turn appoint an executive committee to carry on the affairs of the corporation between meetings, subject to the approval of the directors and members. The annual meeting of the corporation is held on the second Tuesday of February.

##### DIVISION OF WORK AND AUTHORITY

Secretary: The secretary has charge of all matters of policy and finance and carries out the instructions of the board of directors.

Chief forester: The chief forester is responsible for all technical decisions, the general management of the centers, and the training of foresters. He examines and approves plans, reports, contracts, and other documents which concern clients of the foundation.

Resident forester: The resident forester has full charge of his center under the direction of the chief forester. He is the representative of the foundation who comes in direct contact with the client, and his success depends as much on his business ability as his forestry knowledge. Therefore, he should constantly apply the principles of good business: honesty, prompt and efficient



service, and friendly, sincere relations with all business associates and public agencies for the creation and maintenance of good will.

Office: The secretary is at the main office: 41 Mount Vernon Street, Boston 8, Mass., where all business is transacted. The office is ready to be of help to all foresters, whenever possible, and welcomes suggestions for the improvement of the service.

#### POLICIES

All policies originate with the board of directors and are carried out by the main office through the secretary.

#### RELATION TO OWNER

The foundation is a professional organization for the management of timberland and is not in the business of operating, milling, or selling forest products, except as agent of the owner. All financial dealings will be with the client, and no charges will be made against the operator or buyer for supervision. Loyalty to the client and his interests is the first consideration of any employee. It is important to keep in touch with a client from time to time, and if a job runs over a long period, to write or telephone him as to progress. A postal card now may save a good client tomorrow.

All agreements will be carried through in good faith even at a loss to the foundation. Every forester should look upon his position not as a job with a fixed salary, but as a business. In this work he has an unusual opportunity to practice his art as well as to gain business experience.

When cutting operation, or other work, is completed, a letter should be sent to the client telling him that the work has been supervised to its finish and that the land has been left in good condition. (If the forester sends this himself, a copy should be sent to the main office.)

#### FINANCIAL TRANSACTIONS

All financial transactions will be handled by the main office. No forester will engage in any business arrangements with clients, operators, or buyers in which he will use his own funds or by which he may benefit financially.

Senator RANDOLPH. Thank you Mr. Pyles, Dr. Yoho, and Mr. Mersereau. We will move along quickly, but we need to cover certain points with the members of this panel who are distinguished leaders in government, education, and private industry.

Mr. Pyles, I want you to comment on page 3 of your testimony. You refer to the Timber Development Organization ownership of donated lands. On page 4 I find that you refer to the purchase of key tracts of timber land by these TDO groups. I think we ought to have your remarks clarified as to that.

Mr. PYLES. In the one instance the type of organization which would be patterned after the New England Forestry Foundation would be primarily a service organization. The land, if it had any land, would be donated for demonstration purposes only. On the other hand, at the other end of the spectrum of the wide variety of organizations that could be considered, would be the kind or the type in which a group of landowners would come together under an agreement to develop an organization to manage their own lands.

The reason we want to leave in the opportunity for purchase is on the probability that within this group there might be a key tract in which the owner was not interested in entering into this agreement and it would be necessary to purchase a tract to get a consolidated unit for management if the owner was willing to sell. We felt that we shouldn't rule out this possibility for this type of organization.

Perhaps some of the fears that the organization would go into a large acquisition program could be taken care of in the committee's report.

Senator RANDOLPH. I believe we are correct, Mr. Pyles, and Mr.

Mersereau that this is the point of difference between you and the groups you represent.

Mr. MERSEREAU. That is correct.

Senator RANDOLPH. You might want to respond.

Mr. MERSEREAU. I believe I have covered it in my statement and I am very reluctant to appear to be in disagreement with Mr. Pyles because of the splendid cooperation that has been given to industry. There is just this one point on which we find ourselves in disagreement.

I don't believe I can add to that.

Senator RANDOLPH. You mean you have unity but not conformity.

Mr. MERSEREAU. Yes, sir.

Mr. PYLES. I think there is a fear that this organization would get into a large acquisition program and become the owner of a large tract of land. This isn't our concept anyway. That is my feeling. We may be able to iron this out. But we do not want to rule out the prospects for a group of landowners who might be able to form a successful unit for management and need to gain control of one or two tracts of land in which the owner would be not willing to cooperate.

Senator RANDOLPH. Mr. Pyles, I believe you could comment helpfully also on Dr. Yoho's proposal or suggestion that we have increased ACP funds for forestry assistance to the small owner particularly.

Would you comment or do you feel you could be helpful on that point?

Mr. PYLES. We have no disagreement with that, Mr. Chairman, at all. I believe particularly in parts of West Virginia that the ACP funds over the last few years have been increased and have been very helpful. The authority exists for this activity. It is just a matter of budget and expressing the need for this practice in relation to other practices under the ACP program.

Of course, we are now referring only to the TDO, when there are eight or nine measures under existing authority that are going forward, including the highway and road development that are going to be very helpful in the development of the timber resources in the region.

Senator RANDOLPH. Mr. Pyles, I think this would be a proper place for you to respond to the contention of Mr. Mersereau as contained in his statement on page 8 where he refers to a recommended language change in the bill regarding the physical consolidation of small holdings.

Mr. PYLES. This is of course the issue.

Senator RANDOLPH. I realize that.

Mr. PYLES. I would prefer, if possible, to put such safeguards on the acquisition activities as the committee or Congress might wish in the committee report, but permit the group of landowners this opportunity that they need to make a successful unit.

Senator RANDOLPH. Is it your thought then that in the committee report we can spell this out without changing the language in the bill.

Mr. PYLES. That would be my recommendation.

Senator RANDOLPH. That's often done, of course, as we know. If we clarify this point in the committee report, Mr. Mersereau, would that seem partially to bring you together?

Mr. MERSEREAU. I think that would be very helpful and we would be glad to work with the Forest Service in that connection.



Senator RANDOLPH. Thank you very much.

Dr. Yoho, we have read your testimony, and particularly in my role as a Senator from West Virginia, I am concerned about what you have said here on page 11 regarding the trend toward fewer and larger plants in the lumber manufacturing business and the problems of establishing a new concern with a small amount of capital.

I refer to your language:

This possibility has lead to very costly business instability in the region in the past. For instance, in West Virginia there were 811 active entrepreneurships in the sawmill business in 1959 but by 1963, 525 of these had ceased operations—

out of this 811—

and 195 entirely new operators had entered the field.

Dr. Yoho. Yes.

Senator RANDOLPH. Can you add to this?

Dr. Yoho. We, of course, work with the Bureau of the Census data from the census of manufacturers which brings out the decreasing number of sawmills in the industry. But I was able to put together these figures which aren't brought out by census figures by checking through the names of individual entrepreneurs in the directory of industries assembled and published by the extension foresters in the State of West Virginia. It was a surprise to me. I knew that the number of mills had been dropping, although lumber production was tending to remain rather stable.

But I had no idea of the extent of turnover that has taken place. And I think that there is considerable wasted effort and actually lost investment on the part of individuals who undertake such ventures with false optimism.

Senator RANDOLPH. At that point, I would like the record to note the name of one successful operator in West Virginia who resides in my county. His name is Richard Benson, the head of the Benson Lumber Co., and he has been successful over a period of years in the hardwood timber industry, not in manufacturing but in growing and harvesting. He has said that there have been these false notions in the minds of those not familiar with the problems of timbering, who have been led to believe they can come into West Virginia and other regions of Appalachia and reap a harvest of dollars.

He referred to many of these situations. That is why I mention this at this point here today. Do your studies confirm this?

Dr. Yoho. Yes; I think that is definitely true. Many studies have been made of the details of these operations and why they have failed. Essentially they boil down to two reasons, undercapitalization and poor management.

I think a training program for entrepreneurs could readily be conducted in conjunction with the ARA program, for example.

Senator RANDOLPH. And the manpower and retraining program perhaps?

Dr. Yoho. Yes. Some operations along these lines are already underway. I am sure Senator Cooper is familiar with the operation over in eastern Kentucky attempting to train people for this particular business.

I was quite impressed with that operation when I visited there last summer. I think they are definitely on the right track. Many of these sawmill operators in depressed areas, or areas of high rural underemployment enter this business simply as a way of providing employment for themselves without moving away from the area. If they cannot obtain employment with someone else, here is a means for obtaining perhaps a low-paying job, but at least a job.

Senator RANDOLPH. I think that the major trouble would be in management rather than among the workers themselves.

Dr. Yoho. Yes.

Senator RANDOLPH. These people in the mountains by and large have the aptitudes for this work and yet they need training. You realize that in Nicholas County and Richwood you would find a great reservoir of people with high aptitude for this kind of employment. Isn't that true, Mr. Mersereau?

Mr. MERSEREAU. Yes; I agree with Dr. Yoho.

Senator RANDOLPH. Sitting here is a former member of the Legislature of West Virginia, Mr. John C. Cruikshank, of Clay County. Do you wish to make a comment on the sawmill situation in Clay County, because this is one of the counties that has experienced instability in the lumber industry. If you want to comment, please do.

#### STATEMENT OF JOHN C. CRUIKSHANK, CLAY COUNTY, W. VA.

Mr. CRUIKSHANK. I would like to comment, Senator, on Dr. Yoho's statement about the number of sawmills that have gone out of business. In Clay County, where the Georgia-Pacific Corp. has a tremendous operation, we have several small millowners marketing a low grade of timber. They were selling their products to the mines. Whereas so many mines have mechanized and have modernized in such matters as the use of roof bolts, they no longer need timber in the volume they once did.

Consequently these people went out of business because they lost their market. I could name among customers—I am a retail country merchant—17 different sawmill operations in my area that went out of business due to losing their customers because of mechanization in the mines. As I say, they were marketing a low grade of timber which probably couldn't be used for anything else. Thank you.

Senator RANDOLPH. Thank you very much, Mr. Cruikshank. I didn't want to impose on you but your actual experience has been very helpful. What is the population of Clay County?

Mr. CRUIKSHANK. Eleven thousand nine hundred and forty-two at the 1960 census.

Senator RANDOLPH. Though this is not our primary concern at the present, I would point out the importance, especially in such areas as Clay County, W. Va., of the health facilities to be provided in this program.

In Clay County with 12,000 persons—Mr. Cruikshank I believe will reinforce what I am saying—there is only 1 doctor.

Mr. Cruikshank. Eighty-some years old, Senator.

Senator RANDOLPH. Yes, this is a fact, a general practitioner, of over 80 years. He cannot travel those mountains and really administer to the needs of the people. What is it, Mr. Cruikshank, 50 miles to a hospital from the county seat?



Mr. CRUIKSHANK. From the county seat, four different directions, it is 40 miles to a medical facility.

Senator RANDOLPH. That is why, even at this point as we are discussing timber, we must recognize the deficit in such facilities as health clinics.

Dr. Yoho, you have made many contributions, here in your prepared statement, though we will not take time to mention them all. I am very appreciative, as I know Senator Cooper is. But there is one point in conclusion.

On page 12 of your statement you refer to the inadequacy of research in the forest products industry. Mr. Mersereau, would you like to comment? Has your industry not had the dollars for research? The coal industry often in the past has said it has not had the dollars to research. What about timber?

Mr. MERSEREAU. I think you are right. To me, of the two most important phases in this entire legislative proposal, one is the construction of access roads and highways, and the other is the stimulation of research.

I think you must have both. I wouldn't know which one is more important, but we certainly are lacking in both in the Appalachian area.

Senator RANDOLPH. Senator Cooper.

Senator COOPER. I would like to comment on this section because I believe Mr. Mersereau has raised the most crucial issue connected with this section, one which is debatable and one which I raised last year and about which I have doubts—that is whether or not these timber development organizations should be authorized to buy timber holdings from individuals.

I wholly agree with the main thrust of this section, which is to establish timber development organizations working with the Forest Service and the States, which would educate small timber holders in the way that they can manage their holdings selectively, cut their timber and market their timber.

The Forest Service has given that kind of education. It is analogous to the work that the Extension Service, Soil Conservation Service, and other agricultural agencies do with respect to small farmers and large farmers all over the Nations.

I think that is a very constructive proposal and should receive full support. I am going to make a few comments on whether or not these organizations should be permitted to buy timber holdings. And I may say, if you permit me, I do it from personal observation of the timber operations in eastern Kentucky which, as you have stated, is a great hardwood growing section.

I can remember, and I know from observation, the great timber holdings in eastern Kentucky. In the first phase of recent industry history, large and powerful companies from outside the area came into this section, purchased vast acreage, and then established what, for that time, were modern mills. At the beginning the land was stripped of all its timber without any provision for reforestation.

When all the timber was cut, they left the operation, though sometimes they retained ownership of the land, and sometimes they sold it off in small parcels to local residents. In this phase, there was employment at the time, but it ended when the timber was gone, and the profits from the operation chiefly went outside the area.

There was another type of operation which developed at that time. Individuals of the area who had some capital resources would buy smaller tracts of timber, would move a sawmill into place on the timberland, and follow the same practices that the larger companies followed.

I must say I think there has been a change in that kind of operation. The large lumber companies now pay greater attention to reforestation and to selective cutting, and so do these local individuals who are able to buy 300 or 400 acres or 1,000 acres of timber and follow better practices.

But I think also that with roads and with modern equipment, a different practice has occurred. Small landowners, such as those we are trying to help in this bill often own 50 acres or less. Because it is a small stand of timber, they cut the timber themselves and haul it to a mill for sale.

These owners of small stands of timber are usually very poor, poverty stricken people, so what happens? They do not selectively cut their timber. When tax time comes, or when debts come due, they cut all the timber that might be sold, including some which is not ready for cutting because of size, quality, and other characteristics. And because the long-term possibility of reforestation seems rather remote and far removed, since their timber is different from Georgia and Alabama where you get quick growth in pine, it is difficult to encourage them in reforestation practices and in selective cutting.

I mention this from personal observation and also from practice, because it may surprise you, but some 30 years ago I had a small operation with sawmills. I well remember the old adage, "if you have an enemy give him a sawmill."

It seems to me the crux of the matter is that these proposed timber development organizations can have tremendous value, so long as they are developed and operated to educate these small farmers in the protection, cultivation, selective cutting, and marketing of their timber. But if you plan to go out and buy up their little stands of timber, and put them in these development organizations, then you have just taken away this last little resource that they have.

I would oppose this section if the the purpose cannot be better defined. I am for education, for teaching management and better marketing methods, but I do not know how far the organization will go. I am for this accumulation of timber holdings for demonstration purposes, but I think this proposition might be used to work against the long-range interest of the very small timber holder the bill is designed to help, if he must give up his last property resource.

What will happen if the small wood lot owner has the same pressures and the same desires to get some quick money when tax and debt times come, and what happens if he sells his timber for practically nothing.

I don't know that you would see that occur with a timber development organization, but I think it may go against the purposes of this main process of education and management and better marketing that everyone wants. I would like to have your comments on this subject, and I would like to ask about the connection these organizations may have to one of the problems timber operation in my State, and I am sure in West Virginia also.



Generally the small mills have been operated to purchase timber in the raw, rough sawed lumber and stave bolts, and it has been said again and again if these States could develop like North Carolina the idea of encouraging the establishment of a small woodworking industry where value could be added to the product in terms of labor and in terms of profits to the local industry, it would have a great effect.

I do not know whether it is contemplated that these timber development organizations will lead to this type of encouragement. I would ask: Do they contemplate education or provision of any kind of initiative to local bodies to develop these woodworking industries which add value to the raw product? I know at Berea College there is an organization, an operation, which works to educate timber growers in that way. I ask, is there anything in this section which would give advice or education toward the development of these added values such as woodworking?

Mr. PYLES. Should I respond to that, Senator Cooper?

Senator COOPER. Yes.

Mr. PYLES. I will try to answer your last question, first. This particular section is very narrow. It just goes to the resource. It must naturally be a part of a training process, an encouragement process to landowners, to manage their lands under accepted good forest practices.

There are other parts of our program that deal directly with this problem that you are talking about that is in the field of utilization both in research and in our cooperative programs with the States. Kentucky for example has a department of utilization under the State forester which is working directly at this problem.

On the timber development organization and the purchase of land, because first of all it must be a group of landowners that want to join together under an agreement to achieve consolidated management of their lands. They are the sponsors of this organization.

Senator COOPER. I am for that.

Mr. PYLES. And the organization itself is nonprofit so that the only purpose that the organization would have in acquiring a tract of land within this unit, that has been determined could be successfully managed, would be because the owner of that tract didn't want to join in with the other owners in this particular area.

And the profits of that land would have to go back into the land or either the organization's fund. As Mr. Mersereau says, it would be inconsistent to attempt to acquire a lot of these lands for nonprofit purposes. What we are trying to do is to provide a means of consolidation of these owners in the event that some tracts within this unit didn't want to get in the cooperative unit.

Senator COOPER. Then your idea of land acquisition is directed toward consolidation of the area which could be properly managed. It is limited to that.

Mr. PYLES. Yes, that is right.

Senator COOPER. That is very important.

Senator RANDOLPH. Thank you very much, Mr. Pyles, Dr. Yoho, and Mr. Mersereau. We may be calling on you for further information and assistance to the committee.

Senator COOPER. I would like to say here that the answers that you have given, that this land acquisition is directed toward consolidation of a tract or unit for management, I think settles my question.

**STATEMENT BY BRIG. GEN. HARRY G. WOODBURY, JR., DEPUTY DIRECTOR OF CIVIL WORKS FOR COMPREHENSIVE PLANNING, OFFICE, CHIEF OF ENGINEERS, ACCOMPANIED BY COL. JOHN C. H. LEE, JR., AND IRWIN REISLER, ASSISTANT CHIEF OF THE PLANNING DIVISION, CIVIL WORKS DIRECTORATE**

General WOODBURY. Mr. Chairman and members of the committee, I am Brig. Gen. Harry G. Woodbury, Jr., Deputy Director of Civil Works for Comprehensive Planning. I appreciate the opportunity to appear before you today in behalf of the Chief of Engineers and the Department of the Army.

The Department of the Army participated in the development of the broad program for the Appalachian region which you have before you in the form of S. 3. We are impressed by the magnitude and difficulty of the problems for which solutions must be found if the human and natural resources of this large, but underdeveloped, region are to be more effectively utilized to increase the Nation's strength and wealth, and to better the lot of the region's people. We are convinced, moreover, that a comprehensive and unified program will be required if those ends are to be met. Hence we support enactment of S. 3.

The going civil works program of the Corps of Engineers makes a vital contribution toward the economic development of underdeveloped regions such as Appalachia. It does this by providing protection from floods, by making available dependable water supplies for industrial and municipal use, by greatly expanding the opportunities for healthful outdoor recreation through the creation of lakes and surrounding public use areas, by the generation of electrical energy of special value for peaking purposes, by the abatement of pollution through increasing the low waterflows of the main streams of the region, by enhancing fish and wildlife resources, and by reducing the cost of transportation through the provision of navigable waterways where this is found to be economically feasible. In short, the civil works program can advance the economic development of Appalachia by making possible the utilization of one of its greatest natural resources—the waters with which it has been so richly endowed by nature.

The currently authorized program of the Corps of Engineers in the Appalachian region is progressing at a substantial rate with an appropriation level of about \$170 million in fiscal year 1965. It is expected that a high level of activity in this region can be sustained for a number of years to come based on the present backlog of authorized projects, and those which have been or will soon be recommended to the Congress for authorization on the basis of the current study program. The question is not whether we should continue what we are doing—these projects are already well justified under current criteria and their value will be further enhanced by the proposed development of the Appalachian region—but rather what more should be done to correct the remaining problems of inadequate control of water, and thereby help raise further the level of economic activity in the Ap-



palachian region. It is in this regard that we address ourselves to the proposed water resources survey contemplated under section 206 of the bill currently under consideration.

Section 206 of the bill would authorize the Secretary of the Army to prepare a comprehensive plan for the development and efficient utilization of the water and related land resources of the Appalachian region, giving special attention to the need for an increase in the production of economic goods and services in the Appalachian region as a means of expanding economic opportunities and thus enhancing the welfare of the people. The language in this section broadens the dimensions in water resources planning by requiring that a water resources system be designed with the objective of stimulating economic growth as a part of an overall program for regional development as opposed to the more conventional practice of planning water developments to accommodate to normal growth patterns. The Department of the Army accepts this challenging responsibility. We anticipate that the other Federal and State agencies will cooperate by providing certain segments of the overall water plan, and that the Appalachian Regional Commission, authorized by title I of this act, will provide overall coordination to insure that the water plan will constitute an integral and coordinated component of its still more comprehensive regional program. Section 206 provides for this necessary participation.

The time available for completion of the proposed study is very short. Allowing for the contemplated review processes, we estimate that about 3 years will be available for field studies and report preparation. This will require that an intensive study effort be initiated as soon as funds can be obtained after passage of the legislation. Our advance preparations have been geared to that objective.

1. We have developed a tentative plan of survey which defines, in general terms, the scope and overall requirements of the study, including the procedures for and the general extent of participation anticipated for cooperating agencies. To further define those requirements we have initiated informal discussions with those agencies.

2. We have developed preliminary plans for organization and staffing of this study. We contemplate establishing, under the direction of our Ohio River division engineer, a small special Appalachian study office which will be charged with responsibility for management of the study and for report preparation. Under the direction of that office, existing Corps of Engineers field offices of the region, consisting of 11 districts in 3 divisions, in coordination with other agency counterparts, will perform the necessary field investigations within their present areas of responsibility and provide the data necessary for development of the overall plan. We expect that our present study program will make substantial inputs into the regional planning effort.

3. A small temporary office has been established within the Office of the Chief of Engineers to carry out the advanced planning effort. Col. John C. H. Lee, Jr., is currently in charge of that activity and has been tentatively selected by the Chief of Engineers to head the field study office when it is established. He is here with me this morning, sir.

4. Aside from these advance preparations for the water resources survey, the Department of the Army and the Corps of Engineers are participating in the deliberations of the Federal Development Planning Committee for Appalachia, headed by Mr. Sweeney, which was established by the President to continue Federal planning activities in the Appalachian region.

Mr. Alfred Fitt, Special Assistant to the Secretary of the Army for Civil Functions, and his alternate, Mr. Irwin Reisler, Assistant Chief of the Planning Division, Civil Works Directorate, Office, Chief of Engineers, are working closely with the Chairman, Mr. John Sweeney, and the Committee to insure that the water resources activities are properly integrated and coordinated with the overall effort contemplated for the region. Mr. Reisler is also here this morning.

Senator RANDOLPH. I will place a copy of my letter to Secretary Ailes, dated January 15, 1965. The letter contains my proposed amendment to S. 3, to provide assistance to local communities in their share of the costs for local flood protection projects.

(The letter and proposed amendment are as follows:)

U.S. SENATE,  
Washington, D.C., January 15, 1965.

HON. STEPHEN AILES,  
*Secretary of the Army,*  
*Department of the Army,*  
*Washington, D.C.*

DEAR MR. SECRETARY: As you know, President Johnson has assigned the highest priority to the enactment of the Appalachian Regional Development Act of 1965. Accordingly, the Senate Committee on Public Works has scheduled hearings on S. 3 for January 19 and 21. It is hoped that by conducting hearings on these dates we will have an opportunity to receive testimony from all the Governors of the Appalachian States who may wish to testify.

We would like a representative of the Corps of Engineers to testify on section 206 of S. 3 and on the amendment for assistance to local resources, which I propose to offer in committee. You will find enclosed a copy of my proposed amendment, for your information.

Mr. John L. Sweeney, Chairman of the Federal Development Planning Committee for Appalachia, is presenting the administration position on the legislation on Tuesday, January 19, at 10 a.m. We should like to hear the testimony of the representative of the Corps of Engineers following Mr. Sweeney, at approximately 10:30 a.m. The hearing is being held in room 4200, New Senate Office Building.

We should appreciate if you will have your staff communicate with Richard B. Royce of the Senate Committee on Public Works staff regarding the name of the person who will testify. In accordance with committee policy, we should like to have 75 copies of the statement and trust that despite the short time elapsing we may have these not later than 5 p.m. on Monday, January 18.

Since the Senate bill, S. 3, has not yet been printed, I enclose a copy of the identical House bill, H.R. 4.

Truly,

JENNINGS RANDOLPH.

#### WATER RESOURCE PROJECTS

SEC. 215. (a) In any project recommended by the Secretary of the Army for construction as a part of the comprehensive plan provided for in Section 206, or projects authorized in the Appalachian region in accordance with Section 107 of the River and Harbor Act of 1960 (ss U.S.C. 577) or Section 205 of the Flood Control Act of 1948, as amended (ss U.S.C. 701s), where local interests are required under the provisions of Section 3 of the Act approved June 22, 1936 (49 Stat. 1571), as amended, to furnish lands, easements and rights-of-way necessary for the project, or are required under the existing provisions of law or administrative regulations, to furnish monetary contributions towards the



cost of construction of the project, the Secretary of Commerce is authorized, on application of the responsible local interests, and on recommendation of the Chief of Engineers, and with the concurrence of the Appalachian Regional Commission, to advance funds to the Secretary of the Army to

(1) acquire in the name of the United States title to all lands, easements, and rights-of-way necessary for the project by donation, or with funds heretofore or hereafter appropriated or made available for the project: *Provided*, That such title shall be transferred by the Secretary to the appropriate local interests upon completion of construction of the project:

(2) defer the payment of the required monetary contributions, and pay the entire first cost of the project out of funds heretofore or hereafter appropriated or made available for the project;

*Provided*, That the State, political subdivision thereof, or other responsible local agency agrees to repay the cost of such lands, easements, and rights-of-way, together with government administrative acquisition costs, and the amount of required monetary contribution, including interest which shall commence with the initiation of construction, within the life of the project but in no event to exceed fifty years after completion of construction, except that no payment need be made until one year after completion of construction. The interest rate used for the purposes of computing interest shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue: *Provided further*, That neither the amount of the deferred required monetary contribution nor the costs incurred by the Government in obtaining lands, easements and rights-of-way pursuant to authority stated herein, shall be considered in determining the limitation of Federal participation in projects authorized under Section 107 of the River and Harbor Act of 1960 and Section 205 of the Flood Control Act of 1948, as amended.

(b) The provisions of subsection (a) of this Section shall apply to projects heretofore authorized in the Appalachian Region which will be a component of the comprehensive plan provided for under Section 206 of this Act, and where construction has not been initiated: *Provided*, That the Secretary of the Army, upon application of the responsible local interests, and, on recommendation of the Chief of Engineers, and the concurrence of the Commission, shall notify the Public Works Committees of the House of Representatives and the Senate by separate letter reports that subsection (a) will be applied; *Provided further*, That no agreement with the local interests shall be entered into for a period of thirty days after such notification has been given.

(c) Not to exceed \$10,000,000 of the funds authorized in Section 401 of this Act shall be available to carry out this section.

General WOODBURY. Thank you, Senator. I will continue with my statement.

#### PROPOSED AMENDMENT

The committee has asked us to present our views with respect to a proposed amendment to S. 3 which would authorize the Secretary of the Army, from funds to be made available under this act, to assist local interests in financing their participation in Federal water resources projects. These funds could be utilized to permit construction of projects which are desirable components of the Appalachian development program by covering the local share of the costs required under the legislation authorizing such projects, subject to the requirement that local interests agree to repay such costs, with interest, over an extended period of time. The Department of the Army considers the objective of this amendment to be a desirable addition to the legislation under consideration. As recognized in the legislation, many communities in Appalachia do not now have the necessary tax base to support needed expansion of economic activity. This in turn prevents them from financing public improvements which are essential to create

the economic environment that is necessary to promote private investment in the area. There have been a number of instances where local flood protection projects, which have been authorized by Congress or which would have been eligible for accomplishment under general authority available to the Chief of Engineers, have not been constructed because the communities could not furnish the lands and rights-of-way that are requirements for such projects. The recurrent flood problems existing in those areas cause economic losses they can ill afford to suffer and deters economic expansion. With provision for deferred payment, as the amendment proposes, these improvements could proceed in keeping with objectives for economic development of the region.

Some portions of the draft language of section 215 need further clarification. For example, subsection (a)(1) which provides for use of funds heretofore or hereafter appropriated or made available to the project is inconsistent with the funding procedure contemplated in subsection (c). Other revisions may also be desirable after further review. If desired by the committee, we will undertake such review and submit revised draft language which will be coordinated within the executive branch of the Government.

I thank you for the opportunity afforded me to present the views of the Chief of Engineers and the Department of the Army on this important legislative proposal.

I am prepared to try to answer any questions that you might have.

Senator RANDOLPH. The committee appreciates your testimony, General, and we would be grateful for further clarification of the proposed amendment. We would appreciate whatever assistance your staff could give the committee in perfecting section 215, and we would hope that a final draft might be furnished the committee by January 25, if possible.

Senator RANDOLPH. General Woodbury, as an aside here, while you were speaking, Senator Cooper correctly stated that the purpose of this legislation encompasses a broad and necessary program. That is the essence of what he said. You have testified on one of the very important efforts that will be made. It is a broad water resource program in depth and scope to not only control floods but to develop the rivers to benefit people, to benefit industry, and to add to the economic strength of the areas which have been adversely affected in the past by inadequate resource development among other factors.

You people were doing what you could when you could. I recall recently an editorial in the Charleston, W. Va., Gazette. I hope to refresh my memory on its content and perhaps place it in the record. It brought out the need in the Kanawha River region of the sort of program that is envisaged here. Someone expressed disheartening response to the delays which have been perhaps necessary.

To refer to another—and somewhat sensitive aspect of this subject—some of the Tennessee Valley Authority people have expressed concern about the study that is authorized in this section 206. There would appear to be some anxiety that the Corps of Engineers might encroach on areas of TVA responsibility in this study—though, of course, there is inevitably a certain degree of overlapping authority in such a project.

How do you plan for the participation and cooperation of the TVA in this study?



General WOODBURY. Sir, there are several agencies that are directly concerned with water resource development, as you well know. In this particular region they include TVA, and in addition to the Public Health Service, the Department of the Interior, the Department of Agriculture, as well as the State and private agencies.

It is our view that this study will be a coordinated study, and that we will seek the participation by each agency that has an interest, and we will capitalize on their expertise, if you will, in their particular area, and capitalize, too, on the qualifications of particular agencies that have particular geographic responsibilities, as in the case of TVA, and that this study will, when it is produced, be an integrated and coordinated study with the views of these other agencies reflected in the study.

Senator RANDOLPH. You anticipate no conflict of authority?

General WOODBURY. We do not, sir. The Corps of Engineers has in response to this draft legislation, already initiated contact with these agencies, including the TVA. Colonel Lee has traveled down to TVA country and talked to the staff and board of the TVA. We have participated jointly with them in a briefing of State agencies here in Washington, and we expect to continue this cooperative approach to the overall development of the region.

Senator RANDOLPH. I am personally convinced this can be and will be carried forth in a spirit of cooperative inquiry. I am sure the attitude of the Corps of Engineers is constructive.

General WOODBURY. We have no apprehension, sir.

Senator RANDOLPH. Fine. Thank you. Senator Cooper?

Senator COOPER. I would say that I think this is a very important part of this program because the floods which sweep these areas almost annually destroy lives and property and inhibit any kind of development, even local investment, and they depress property values, so the tax base is greatly lowered for other improvements that communities and counties would like to make.

I am going to ask a specific question directed at programs in my own State of Kentucky. I am sure you recall that basin studies are now underway on the Big Sandy River, the Licking River, the Upper Kentucky, the Upper Cumberland, and, of course, on the great Ohio River.

These studies, and the resulting action that may be taken in the upper reaches of these streams which are in this very area, make very important both early completion and action upon whatever projects meet the criteria of the Corps of Engineers. Will the overall study authorized in this bill defer or delay any action which might be taken under the studies which are now in progress?

General WOODBURY. Thank you, Senator. The study that is authorized by this act will not in any way delay other ongoing study programs. We anticipate that some of these studies, such as the Big Sandy of which you spoke——

Senator RANDOLPH. In which West Virginia is also interested.

General WOODBURY. I understand that, sir.

Senator RANDOLPH. Is this right, Senator?

Senator COOPER. Yes.

General WOODBURY (continuing). Will be processed this year and this new study will utilize the information that has been produced and that was used in the development of the other studies to see what

further developments should be undertaken to control streams and water and land resources in areas that are not proposed in these existing studies.

Senator COOPER. Assuming that the Corps of Engineers is ready or will soon be ready to report on the studies that it has made of the river basins or reservoirs such as the proposed Royalton Reservoir near Salyersville in Kentucky, with which I am familiar, or basins and reservoirs in other States, and those studies were made upon existing authorities of the Corps of Engineers, is it possible to take into consideration, assuming that this act is passed, such additional criteria as this act will permit before the final reports come to the Congress?

General WOODBURY. We feel, sir, that existing studies which contain favorable recommendations should not be delayed by the occasion of this act, but should proceed into authorization and construction in order to move ahead with the economic development of this region.

We recognize that in some of these existing studies there may have been areas in which, under current criteria, development work could not be recommended. These will be reviewed, sir, under the terms of this act, under its purposes, and additional reports made on those projects which might be found to qualify under any new criteria that would be developed as a result of this act.

Senator COOPER. You answered my question well, and I thank you.

Senator RANDOLPH. Colonel Lee, we wish you to know that your conferences with members of the staff in the Public Works Committee and with others have been very helpful in the development of areas of understanding. We are pleased that your office is already in being, because when this bill passes—and I am going to say now that I believe it will become law before the 1st of April—we hope that the water resources study will be immediately initiated. We hope to act early in February in the Senate, but your work before the fact and not after the fact is very helpful. We commend you, General, and you, Mr. Reisler, and you, Colonel Lee, and the others in your agency who are active in this effort.

General WOODBURY. I can assure you there is nothing that would please Colonel Lee more than to have this act pass so he can go to work on Appalachia by the 1st of April. He is a very aggressive officer, as you know.

Senator RANDOLPH. That is true. We are very impressed with the manner in which he has approached this assignment.

General Woodbury, Colonel Lee, and Mr. Reisler, we thank you for this testimony and I can assure you this is an important phase of this bill. We recognize it as such and certainly the people of the area believe that it is highly important. It is an imperative part of the measure. Thank you very much.

General WOODBURY. Thank you, sir.

Senator RANDOLPH. I see our former colleague of the Senate, Senator Walters, of Tennessee, who accompanies the Governor, the Honorable Frank G. Clement. Senator Walters, we would be delighted to have you sit with Governor Clement during his testimony.

Senator WALTERS. Thank you, sir.

Senator RANDOLPH. Governor Clement, you will, of course, bring those persons with you to sit at the table, if you desire.



Governor CLEMENT. Fine. I would like to present at this time, all of you know, our distinguished former Senator Herbert S. Walters. We also have a member of the general assembly that I have a little business with, Representative Jimmy Cook, of Davidson County here.

Senator RANDOLPH. At this time, I believe it is appropriate to place in the record a letter from our distinguished colleague, the senior Senator from Tennessee, Senator Albert Gore, who is unable to appear in person at this time.

STATEMENT OF HON. ALBERT GORE, A U.S. SENATOR FROM THE STATE OF TENNESSEE

Mr. Chairman, I appreciate very much the courtesy of the committee in allowing me to express my views on the Appalachian Regional Development Act of 1965.

Certainly this measure is of historic importance in that it recognizes, and would implement, the regional concept in dealing with problems of development. This is a key measure of the 89th Congress, not only because of the benefits which it would bring to a sizable portion of our country, but also because it could be, and I hope will be, the prelude to a succession of measures tailored to fit the needs of other regions.

Of course, not all regions require the same treatment. Not all would benefit equally from the same treatment. A dollar spent in this way in all regions would be inefficient and most undesirable. But I want the members of this committee whose constituents do not live in Appalachia to know that I will support properly tailored bills to benefit other lagging regions just as vigorously as I support this one.

This bill is badly needed. It, or something like it, is of the utmost necessity if we are to bring Appalachia up to the educational, technological, and industrial level of the more prosperous portions of the country.

The bill is important to the people of the State I have the honor, in part, to represent in the Senate. But it is surely worthy of support on the basis of the strength its implementation will lend to the entire national fabric.

Approximately half the counties in Tennessee are included in Appalachia, and about one-third of the State's population is located there. Not all these counties are poor; indeed, some of the State's wealthier counties are in this region. But on the whole, the people of Appalachia have a per capita income about three-fourths that in the remainder of the State, and unemployment is about one-third greater.

The main thrust of this bill, at least as measured in dollars, is in the field of transportation. This is certainly as it should be, for the first need of Appalachia is transportation, particularly highways. One of the characteristics of the region is its isolation, and transportation will certainly do much to overcome this obstacle. I hope the main highways and access roads authorized by this bill will be so located as to forge commercial links between our great cities and markets and the now isolated communities of Appalachia.

But, although transportation is important, I am glad to see that other avenues of development are explored.

Water resource development can do much. Indeed, the Tennessee Valley Authority has already demonstrated this fact. Those portions of Appalachia not in the Tennessee Valley can, perhaps, be brought up to the high standards now pertaining in the TVA area in this regard.

Coal is without question the region's most important mineral resource, and it is right and proper that improvements in mining and marketing should be considered in any plan for regional improvement. Low-cost thermal power can be most important in attracting certain industries. And here again TVA has demonstrated something of what can be done.

Tourism and recreation are already important to Tennessee's portion of Appalachia and can be exploited further. Appalachia is within easy motoring reach of the eastern part of the country, where the bulk of the population is located. With the expansion of leisure time, a larger share of the domestic tourists' dollar should and can be funneled into Appalachia.

There is one portion of this bill I would like particularly to emphasize. I refer to part B, which provides for funds to supplement and modify existing Federal programs. Second to transportation, this may well be the most important part of this bill.

In my view, the accelerated public works program has been one of the most effective programs for the advancement of our smaller communities. The funds released under that program enabled many Tennessee communities to construct sewer and water systems. Without those Federal funds, local resources would have been greatly strained.

Indeed, without the triggering effect of Federal funds, many Tennessee communities would have continued to go without proper public facilities. Now that some water and sewer systems have been built, however, the people have begun to enjoy a better life and a safer life, and some start has been made toward bringing in industry where there was none before. Where industrialization had begun, it has been truly accelerated.

It appears now that the APW program will not be revived or reenacted. If such is to be the case, part B of this bill takes on added significance, and should, perhaps, be strengthened.

I would respectfully suggest to the committee that serious consideration be given to adding emphasis to part B, particularly with respect to community facilities. I am sure many communities in Appalachia outside of Tennessee have need for these projects, and, indeed, have plans drawn and engineering practically completed. I know such is the case in Tennessee's portion of Appalachia.

The problem of Appalachia are many. Although they are capable of solution, this bill alone, of course, will not solve them. But this bill does delineate some of them and provides a start toward their solution.

The people of Appalachia themselves must do most of the job. They are fine people, and are anxious and eager to move along with the rest of the country. They do need outside help in getting started on the right road.

I hope the committee will report this bill promptly, with such amendments as seem justified. I shall support the measure vigorously when it comes before the Senate.

Senator RANDOLPH. Governor Clement, we know of the vigorous efforts that have been made under your administration for the development of the potential of Tennessee.

As one who supported the Tennessee Valley Authority in the 1930's, and there was no direct benefit to West Virginia, I hope that those in Congress will look at the results of that legislation and acknowledge its benefits not only to the immediate area, but to the Nation as a whole. Similar benefits are, I believe, held forth in the pending legislation.

Governor Clement, you proceed in your own way and we are delighted to have you, sir.

**STATEMENT OF HON. FRANK G. CLEMENT, GOVERNOR OF TENNESSEE, ACCOMPANIED BY FORMER SENATOR HERBERT S. WALTERS AND LINDSAY ALBERT, DIRECTOR OF STATE PLANNING, STATE OF TENNESSEE**

Governor CLEMENT. Thank you very much, Mr. Chairman. I want to first of all thank you and members of your committee and your staff members and associates for this privilege, and again in response to the invitation you so kindly issued a few moments ago to your former colleague Senator Walters.

I would say for the record I always feel better when Senator Walters is by my side, whatever the situation may be, and I am glad to have him here with me.

Senator RANDOLPH. Thank you.

Governor CLEMENT. We have also with us, Mr. Lindsay Albert, our director of State planning, to my right, because he works very closely with us and with officials of the Federal Government and also with local officials in the affected area to which we are directing our



attention today. And it might be that now or later this committee might want some detailed information and I am sure Mr. Albert could be very helpful to us.

Senator RANDOLPH. Thank you, sir.

Governor CLEMENT. I appreciate, as I said a moment ago, Mr. Chairman, very much this opportunity to testify in behalf of Senate bill 3 which embodies President Johnson's Appalachian regional development program.

This program, as you know, has evolved over several years and represents careful study and deliberation by the representatives of 11 States, together with many Federal agencies. It is a concerted effort to do something about a segment of our Nation which does not share in the affluent society, most often through no fault of its own.

Now I don't intend on this occasion to go into more detail than the committee would desire that we do so, but I conceive it my duty not to try to tell this committee those things which I know of all people you are most familiar with already, things that would be repetition.

But it is my desire, as we lawyers would say, to be as brief as possible that we more or less have a meeting of the minds between those of you who serve here in the Capital of our Nation and those of us who serve back in the State capitals. And if there are any areas of disagreement or misunderstanding, I know that you as well as we would want to be sure again that we clarified them and tried to seek those areas of understanding instead.

Tennessee gives unequivocal support to the Appalachian program now being considered. It is a joint local-State-Federal effort to enhance economic opportunities in the region. During the formative stages of the program, the President's Appalachian Commission held numerous meetings in the region to discuss the various problems and aspects of development. The two meetings held in Tennessee demonstrated beyond any doubt the acceptance of the program and the determination by local citizens groups that we must work together to solve common problems.

I would like to point out, also, that the cities and county governments in Tennessee, through their associations, testified last year before the appropriate committees in behalf of this program.

I would like to emphasize from the beginning that while we are here considering the Appalachian region as a whole, not all of the region should be considered in a "depressed" condition. Within the region lie some of our more prosperous industrial areas. In Tennessee's portion of Appalachia, for example, the Kingsport-Johnson City-Bristol area, the Morristown-Greeneville area, the Knoxville-Alcoa-Oak Ridge areas, and the Chattanooga area, to mention several, serve as large economic nuclei around which much of our fine industry develops.

But nevertheless, in the outlying areas, in some of the smaller communities, in the mountainous areas, and in some rural areas, we find severe problems of economic decline. These have been brought about as pointed out in the Appalachian regional commission report, largely through changes in agriculture and in production of coal. Technology is changing our way of life.

We must realize, as a people, that our private enterprise system is the "backbone" of America. But we must realize, also, that this system is continually changing and we must be willing and able to

reorient our programs and adjust to these changes. The Appalachian Development Act recognizes this and the joint local-State-Federal team approach is aimed at providing the economic base for private enterprise to prosper. Each job that is created in this manner means a more abundant life for a family without benefit of subsistence payments of one kind or another.

The bill under consideration is a comprehensive approach to problems of economic development, probably the first of its kind anywhere in America. While Tennessee endorses the program in its entirety, I would like to comment more specifically on several aspects and the benefits to be derived therefrom.

#### HIGHWAYS

For example, under the broad subject of highways, because of the rough mountainous terrain which characterizes the region, highway transportation is limited and parts of the region are impassable, hence, goods and services do not move readily and private enterprise is handicapped in not being able to utilize resources, which in turn provide jobs and incomes needed for its people.

Lack of highway access to areas with a potential for industrial development inhibits maximum development of our resources. While in Tennessee our interstate highway system will link major and some minor urban areas, a number of smaller and yet underdeveloped areas would be assisted by the system of developmental highways proposed under the program. For example, the route proposed through the Cumberland Mountains of Tennessee and Kentucky, when considered in combination with water resources projects proposed in the program, would open up water-related economic opportunities unheard of. The bill would provide for such a new system of developmental and access highways to be constructed on a Federal-State matching basis. This system is a must if the regional isolation of Appalachia is to be overcome. Tennessee is prepared to contribute its part of the cost.

#### WATER RESOURCES

We know that control of water is essential to the economic growth of the region. Properly regulated, water becomes a tool with which to work. Abundant electric power can propel our industries, river transportation makes available new outlets and markets for our natural resources, and abundant water can give us latitude to develop our recreation and tourist industries, so vital to the small entrepreneur.

What we need, and what the Appalachian States are asking for, is not a handout as such, but a partnership with the Federal Government. Through Federal assistance such water related projects can be developed thereby creating an economic base, shall be say, or a favorable climate in which the local communities and private enterprise may grow and develop new job opportunities. We in Tennessee know from firsthand experience with the Tennessee Valley Authority, Senator Cooper, that such a partnership can be developed. I would like to endorse this concept of water resources development as proposed in the bill.



## OTHER PROGRAMS

We are prepared to assist communities plan multicounty health facilities as proposed to demonstrate the value of such facilities to the economic development of the region. Only with a sound body and mind can our people contribute to the Great Society.

We are happy to endorse the proposal for assisting the small landowner in the improvement and development of land for pasture and erosion control in the region, such program to utilize the technical know-how of the Soil Conservation Service, the States, and local agricultural committees for this purpose.

We support the effort to further improve our timber resources especially that of providing technical assistance in the organization and operation of timber development organizations to carry out timber development programs, to improve productivity, quality and increase returns to landowners.

We welcome a joint effort with the States to reclaim and restore abandoned coal mines in the region and to expand and accelerate fish and wildlife restoration in areas privately damaged by deleterious practices.

Tennessee is ready to improve the educational opportunities of all its citizens, and in this connection, I might add, an acceleration of our area vocational technical schools will be possible under appropriate sections of the bill to serve additional areas in Appalachia, where training and education is needed for maximizing employment. Our State has already spent almost \$5 million of its own funds in the past 2 years in developing a statewide system to form a skilled labor force as a further attraction to industry.

## PLANNING AND ADMINISTRATION

I might say that Tennessee endorses the proposed Appalachian Regional Commission as a suitable instrument to provide continuing comprehensive planning for the region, for we feel that only in this manner can focus be made on those problems that cross State lines. I pledge my full support to working with other States in this coordinated effort, together with the financial participation in staffing and operating expenses necessary after the initial 2 years of operation.

The bill requires a coordinating framework at the State level to review and evaluate projects before submittal to the Commission. Such procedure should enable the States to concentrate on those aspects of the program that make for harmonious planning and development of the area. Such procedure should also stimulate comprehensive statewide and regional planning by the States themselves as we have done in Tennessee through our State planning office.

Tennessee, like many of its sister States, has many resources to be tapped and put into productive use. We have moved ahead on many programs on our own without asking for assistance. We will continue to move ahead as the needs of Tennessee are felt. But we are asking the Federal Government through the enactment of this program, to establish a joint partnership in expanding opportunities for all the citizens.

Mr. Chairman, the President's Appalachian program is a monument and a challenge to all of us who are involved with problems of economic

development. It is even a greater challenge to those 11 States to demonstrate the workability of comprehensive planning and development for so large an area. I believe that this effort will go down in history as the first of its kind.

I respectfully request that this distinguished committee, after careful deliberation and after hearing from other Appalachian States, give its wholehearted endorsement and pursue its early enactment by the Congress.

And in Tennessee the Governor's office and all of those associated with us stand ready to cooperate with this committee and other Members of the House and the Senate and executive branch of the Federal Government and the other States involved in any efforts to speedily bring into focus the things that need consideration and determination.

We ask only that you command us, Mr. Chairman. We are at your service. Thank you very much.

Senator RANDOLPH. Thank you very much, Governor Clement. We are appreciative of your testimony. You have demonstrated your grasp of the needs not only of Tennessee but the 11-State regions of Appalachia. We compliment the State under your administration for moving forward in areas of constructive effort to utilize the abilities of your people and the natural resources of your State.

And this is known throughout the country. At this point I would like to have the record reflect that Senator Walters when he was in the Senate supported this legislation and voted for it as did Senator Gore. And we were grateful for his strong arm.

Do you wish to say something at this time?

Senator WALTERS. Mr. Chairman I am having prepared a statement I would like to file with your committee in the near future and have it made a part of the record.

Senator RANDOLPH. Senator Walters, that statement will be incorporated. We will be very happy to have it. We remember your service in the Senate and we hope you return here often and counsel with us.

Senator WALTERS. Thank you, Senator.

Senator RANDOLPH. I think we should say for the record, Governor Clement, that earlier today Gov. Dan Moore of North Carolina occupied the chair in which you now sit. In essence he was saying what you have been saying. And he stressed the need for these roads that go into the mountainous areas where the terrain doesn't lend itself to the entire State system, even the stronger segments of our primary road development, but where the access road is needed, where there can be a return on its investment.

Under this bill, we will have the State, of course, paying 30 percent of this road development program and the Federal Government spending 70 percent. And we are very happy to have you say that the State of Tennessee can step forward, as it were, and place your 30 percent into this development. Is that correct?

Governor CLEMENT. That is correct, sir.

Senator RANDOLPH. Flexibility is still a matter that we will want to have developed very carefully. We don't want to place a road where it shouldn't be placed. And, Mr. Albert, in this connection, you and others in the State of Tennessee can be very helpful to us.



We want this program to work after the law is enacted. We believe that it can do a tremendous good for not only the region but for the country as a whole.

We thank you, Governor, for being with us today.

Senator Cooper.

Senator COOPER. I would like to say that I think you have made a very comprehensive statement, one which I know is based upon your experience as a Governor. I believe that the success of this program will depend in great measure upon the active participation of the States, and upon the provision of technical assistance and administrative assistance by the bodies in the State which work with the subjects which are embraced in this legislation.

That success is going to depend, I think, a great deal on the initiative of the Governor. Do you anticipate the Governors who form this Commission will continue their consultation and participation and provision of their share of the funds? Do you see, from your talks with the Governors in the Appalachian States, that kind of continuity as a consequence of this legislation?

Governor CLEMENT. Yes, sir, I certainly do. In fact, I have had the opportunity to be with several of the Governors since arriving here Sunday and I think, Senator Cooper, that you and Senator Randolph have both summed it up in excellent fashion and I find nothing as I understand your views to represent any difference of opinion which I have as Governor of one of the affected States.

I might add this, Mr. Chairman, one brief word, that as in all kinds of legislation of this type, as you gentlemen know better than most of us, there are those who want to bring it into the realm of controversy because of one political philosophy or another. What is so appealing to me about this proposed program is that first of all we are going into a partnership.

Secondly, we are going into a region which God has blessed with natural resources but which man has not yet developed to the fullest and in some cases to hardly any degree.

And thirdly, and also very importantly, we are not setting up another handout program that some would like to take issue with, but through the development of the region affected we are making it possible, if the program works as we should make it work, for these people to do that for themselves which they cannot now do.

And that is to me a very appealing feature of it.

Senator RANDOLPH. Thank you, Governor Clement. Before you leave the committee hearing I want the record to reflect the appreciation of the committee for the efforts of the Governors and their staffs in working with us in connection with these hearings. We have had the helpful testimony of you, Governor Clement, and of Governor Moore today.

On Thursday, the 21st, we will have testimony from Governor Scranton of Pennsylvania, Governor Breathite of Kentucky, and Governor Smith of West Virginia. I wanted to make that note of those personalities who will join us on Thursday. We will have no hearing tomorrow. We have something else I presume which will occupy the attention of Republicans as well as Democrats here on the Hill.

Governor Clement, again, to you we are grateful and we feel this is a partnership that can work and will work. And as you have said it is not a handout it is an uplifted hand here, a helping hand, in which people of this area can join with agencies of government and private industry in strengthening the economic basis and contributing to the well-being of their fine population of 15 million persons.

Thank you very much.

(Subsequently the following statement was received from Senator Walters:)

STATEMENT OF HON. HERBERT WALTERS, FORMERLY A U.S. SENATOR FROM THE  
STATE OF TENNESSEE

Mr. Chairman, members of the committee, I am happy to endorse S. 3, the Appalachian Regional Development Act of 1965.

This legislation is a result of a great deal of study at both the State and Federal level, and the special plight of this region has been established. It is an area where both human and natural resources have been abused and neglected. Its problems have been recognized but little if any affirmative action has been taken.

There can be no question that the Appalachian Act will prove to be of inestimable value to my State of Tennessee and her sister States which are part of Appalachia. This far-reaching method of economic development will assure over the coming years a faster pace of economic growth in the 49 counties which lie in the Appalachian portion of Tennessee and it will also mean a stronger and better balanced economy for the entire State. During my brief term of service as a U.S. Senator I am proud I supported the Appalachian Act of 1964. I did so because I realized the need to stimulate a more healthy economic climate in Appalachia and because I approved of the methods and programs contained in the President's proposal. President Johnson has declared his intention to lead us to a greater society than our democracy has yet known. In his inaugural address he told us: "In a land of great wealth, families must not live in hopeless poverty. In a land of rich harvest, children must not go hungry. In a land of healing miracles, neighbors must not suffer and die unattended. In a great land of learning and scholars, young people must be taught to read and write."

In Appalachia, children do go hungry and they do grow up without an education. People suffer because of the lack of medical facilities and proper care.

We must not let this region remain apart, its people, our people, merely existing on the fringes of the better life.

The 11 States, including Tennessee, involved, have the will but not the means to adequately help the people of Appalachia participate in the Nation's general prosperity. The poverty of these mountain people is necessarily a matter of great concern to us all, we cannot in good conscience continue to close our eyes, shut it out of our minds and our hearts, and wish it away. The legislation this committee is considering will help the people of Appalachia mine their great resources which lie not only in the coalfields but in their children, in their beautiful mountains and forests, and in their independent spirit. In this connection it is imperative we make it abundantly clear that the funds to be expended are in no sense a "handout." They are tools to build and provide incentives which will overcome the inertia of rest which has stagnated the Appalachian region.

The \$840 million for highway construction provided in this bill is basic in solving the problem of isolation in this rugged land. These development roads would link Appalachian communities with each other and the outside world. Tourism and new business enterprise would be encouraged. Schools would be helped to consolidate.

The new roads would be supplemented by the land and water development provided in the bill. Areas damaged by mining activities would be restored. Measures would be taken to control floods and clean up streams which have been polluted.

The people of Appalachia would be helped not only by the aid provided to improve their own physical environment but also by measures to improve their own physical health. Demonstration health facilities would be constructed with the aid of special grants. These hospitals and treatment centers would help remedy the health and nutritional deficiencies so prevalent in the region.



As important as these features are, there are still other reasons which show the Appalachian Act to be the right approach to the problems of Appalachia, and, especially, the problems of Tennessee. I refer to the framework which the bill establishes for regional cooperation among the 11 Appalachian States and Federal agencies whose programs have application to Appalachia. The regional approach as set up by this act will be far more effective in implementing the program than if each State were to work by itself. The State of Tennessee has had only the finest experience in regionalism during the past several years as it has worked with other Appalachian States in helping to bring about this program. Furthermore, the valuable work and experience of the Tennessee Planning Commission will enable my State to utilize the benefits of the Appalachian Act in as comprehensive manner as possible.

I am therefore pleased to add my support once again to this vital legislation which will strengthen not only the Appalachian region but the national economy as well. Its successful enactment and implementation will contribute to the productivity and development of a valuable region and the people who live there.

I want to urge your most expeditious and favorable action on this bill.

(Whereupon, at 1:30 p.m., the committee recessed to reconvene at 9:30 a.m., Thursday, January 21, 1965.)





# APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

THURSDAY, JANUARY 21, 1965

U.S. SENATE,  
COMMITTEE ON PUBLIC WORKS,  
*Washington, D.C.*

The committee met at 9 a.m., pursuant to recess, in room 4200, Senate Office Building, Senator Jennings Randolph presiding.

Present: Senators Randolph, Muskie, Montoya, Cooper, Fong, and Boggs.

Also present: Ron M. Linton, chief clerk and staff director, Richard E. Gerrish, assistant chief clerk, and Richard B. Royce, professional staff member.

Senator RANDOLPH. The hearing of the Senate Public Works Committee will open today with our colleague, Philip Hart, of Michigan, giving to us his counsel on an important section of our country which has many problems similar in part to the problems of the Appalachian region.

## STATEMENT OF HON. PHILIP A. HART, A U.S. SENATOR FROM THE STATE OF MICHIGAN

Senator HART. Thank you very much, Mr. Chairman, and members of the committee, for letting me come in this morning. I know how hard your schedule is, and am therefore doubly appreciative.

Mr. Chairman, first, those of us far beyond the Appalachian Range are indebted to you, Senator Randolph, and to your colleagues on the committee, for the energy and vision you have given to evolving a pattern of national legislation to meet serious problems of regional economic deprivation.

The path that has been broken by the Members of Congress and State and local officials, who so ably give leadership to the Appalachian program, guides all of us who represent States where particular areas are bypassed by the growing, vigorous national economy.

President Johnson, in his forthright state of the Union message, gave full endorsement to these challenges when he said:

I propose we carry out a new program to develop regions of our country now suffering from distress and depression \* \* \*

We can help insure continued prosperity through:

A regional recovery program to assist development of stricken areas left behind by our national progress \* \* \*

So it is, Mr. Chairman, that Senator Nelson, of Wisconsin, Senators McCarthy and Mondale, of Minnesota, and I bring to you this morning our proposed addition to the pending Appalachia bill, S. 3, which is to initiate in an 80-county, 3-State area in the northern Great Lakes

States of Michigan, Minnesota, and Wisconsin, the beginning of a regional program to meet the economic distress and serious neglect of this part of our Nation.

The upper Great Lakes States region has a continuing unemployment rate that is some 20 percent higher than that of Appalachia. A few of the indicative regional statistics:

Unemployment for the region averages 8.9 percent;

Between 1950 and 1960 U.S. population grew 18.5 percent; the population of the three States by 18.8 percent, but the region's population by only 1.2 percent;

Between 1950 and 1960 the region's labor force dropped by 1.1 percent while that of the Nation increased by 15.4 percent;

Wholesale sales for the same period increased nationally by 54.2 percent, the 80 counties by only 22.1 percent;

The value of farm commodities increased nationally by 68.4 percent in the same period, but in the 80 counties only by 13 percent.

As one looks at the problems and opportunities confronting Appalachia, there is a striking similarity with those of the upper Great Lakes area:

We find that both have been bypassed by major transportation arteries and have been essentially isolated from the commerce and economic growth of other regions in these States.

Both Appalachia and the upper Great Lakes have suffered substantial outmigration of population—especially by the young people—to the point that in our 80-county area there has only been 1.2 percent population increase while the Nation increased 18.5 percent.

The overall educational attainment in the upper Great Lakes counties is substantially below that of the Nation and adjoining parts of the three States.

Our economy was largely based on the exploitation of vast timber and high-grade iron ore resources. Today, the high-grade ore deposits are in most instances uneconomical. Some progress is being made to utilize the lower grade ores, but much more resource and technical improvement is needed.

The timber resources are significant, but we find the need to stimulate new timber utilization programs and new wood-using industries.

Public and private recreation development may offer the single most important opportunity for this region, but here too the investment of the Federal Government in new projects and public works is a critical factor.

There is a need to step up funding of small watershed programs, forest campsite construction, Corps of Engineer harbors of refuge, recreation and park areas, wildlife preserves, forest access highways, scenic parkways, and the many other Federal and Federal-State programs that are also so important to Appalachia.

Natural disasters affecting the fishing industry have left a deep mark. With expanded lamprey control programs and increased technical and financial assistance, a major fishing industry can be reestablished.

It is my understanding, from the testimony here on Tuesday, that the administration will recommend a \$50 million supplemental appropriation to on-going Federal programs authorized in the Appalachia Act of the type just outlined. This is an appropriate approach to regional distress, and should be supported.



There is equal justification for such pinpointed investment in the upper Great Lakes region, where similar projects are "ready to go."

One of the first responsibilities of the Authority authorized in our amendment will be to work with local and State agencies in identifying those that should be accelerated.

To review some of the work in the region and here in Washington preparatory to submitting this proposal to the Congress, in the early days of the area redevelopment program some of us urged that this entire region be treated as one unit for the purposes of ARA planning, analysis, and project location. It was unfortunate that this was not done.

In 1963, Secretary Freeman joined with Governor Rolvaag of Minnesota and others to call a land and people conference in Duluth, Minn. Several hundred citizens representing public and private groups, State and local agencies, came to Duluth. They heard President Kennedy pledge his support for the—

beginning of a bright new era for the upper Great Lakes—an era in which the Nation's growing population looks to this region more and more as a major recreation area \* \* \* as a major source of the lumber, paper, and paper products which modern industry consumes \* \* \* as a great producer of taconite \* \* \*. In the achievement of these goals, I pledge my full support and the support of every Federal agency \* \* \*.

I would like, Mr. Chairman, if I may, to file as a supplement for your record the record of the proceedings of this 1963 Duluth conference.

Senator RANDOLPH. That will be made a part of our record.

Senator Hart, you are not interested that that be a part of the actual hearing record?

Senator HART. It is a very full document.

Senator RANDOLPH. That the committee may have the value of the study of such a document, it will be made a part of the record for the committee's consideration. It will be on file for our use.

Senator HART. I would ask, Mr. Chairman, that the very brief summary that was prepared from the resources and recreation study be made a part of the record at the conclusion of the testimony.

Senator RANDOLPH. Without objection, it will be entered in the record.

(The report referred to follows:)

#### RESOURCES AND RECREATION IN THE NORTHERN GREAT LAKES REGION . . . A DIGEST

[The original report on this subject was a result of Secretary Freeman's request for an analysis of the potentials for economic development in this extensive forested and lake-studded region. It brings together the substance of other studies and information generously provided by agencies of the Minnesota, Wisconsin, and Michigan State governments, by their universities, and many individuals who have been giving thoughtful consideration for a long time to resource development in this region. The Task Force acknowledges and expresses appreciation for this help.]

#### INTRODUCTION

The report is about opportunities for rural area development (RAD) in the northern Great Lakes region. It highlights ways for people to help themselves, to work with their neighbors, to use services now available, and to draw on State and National services to reinforce local efforts.

#### THE SITUATION

The northern Great Lakes region is one of the most opportunity-laden regions in the Nation. Its wealth of natural resources, particularly suited for outdoor recreation, is the potential for a growing economy.

The 81-county area of northern Minnesota, Michigan, and Wisconsin contains 56 million acres of land and water, with four-fifths in forest and 3 million acres in water. Forty percent of the land is administered by public agencies; 60 percent is privately owned. The area is abundant in wood, water, and recreational opportunities.

It contains a population of 1,600,000 people of whom only 560,000 compose the working force.

New directions of effort are needed to rebuild the widespread breakdown of human welfare and community stability. A more effective blend of the natural and human resources can supply the urgently needed revitalization. Independent action cannot provide a long-term economic growth. Real progress will come from the integration of local, State, and Federal endeavors. Applying the concepts of multiple-use management will greatly assist the effort.

The first step is to agree on local objectives—to relate the needs of all the people to the uses of the resources. From this will grow broad policies, management direction, coordination among large private, industrial, and public landholdings, the farms, and small forest areas of the region. Then policies must be put into action. This calls for designating areas where broad use integration is possible. It also demands the specific designation of areas where multiple-use coordination must recognize special situations.

This approach requires teamwork. There are no established methods to stimulate multiple-use management. There are no clear-cut authorities, systems, or assignments of responsibilities for the coordination job that must be done. Greater leadership must come from the principal landowners, public or private. These land managers and local community leaders are the team to deal most effectively with the task.

#### OUTDOOR RECREATION POTENTIAL

A wide array of outdoor recreation activities is found here. Participation is high. Major activities are driving for pleasure, swimming, fishing, and boating. Water-oriented activities are numerous but the recreational use of water has not received the full attention it deserves.

The need is paramount for an inventory of all waters related to industrial and recreational opportunities. There should be standards established for water use based on types of use and quality of water available.

There is a need for proper zoning of lake- and stream-frontage areas in order to preserve their many values. Public access and public ownership should be improved and preserved. Self-conducted motor tours are recommended and attractive signing is encouraged.

Professional people should be given the opportunity to manage fish and wild-life habitat. Necessary is an educational program by them to direct residents' efforts toward proper management. Opportunities include: commercial trout ponds; fish-bait production; permit hunting for a fee; selling special maps; holding special contests; and open-and-close-of-season festivities. The reimbursement of landowners for use of their land for hunting and fishing by the public is encouraged. Attention is called to the need for an increased quality of overnight accommodations. The development of recreational centers should assist the tourist and the area economy. Commercial campgrounds are opportunities to increase income. Logging operations, ore mining, and Great Lakes shipping offer major tourist attractions and should be promoted as such.

There is a need for low-cost and well-dispersed accommodations for young adults, such as youth hostellers.

#### AGRICULTURAL DEVELOPMENT

Outdoor recreation will become more important on farms but agriculture itself offers great opportunity. Dairy farming should continue as the important farm enterprise in many areas where conditions are favorable. And, within each farm unit, lands should be used for production of crops—field crops, forage, trees, and wildlife—suited to the limitations of economics and soil productivity.

Beef cattle production can become a significant economic force in northern Great Lakes agriculture. A shift from dairying to beef is already underway in some areas. The western ranch-type grazing could be adapted to many parts of the region.



There are other enterprises, such as the cranberry industry in northern Wisconsin, and fur farming in all three States. Wild fruit and nut production present opportunities. Farmers may charge visitor-pickers to harvest wild fruit crops as an adjunct to the main farming enterprise.

A farm recreation enterprise that boards guests during the vacation season offers attractive opportunities to tourists in the right locations. Here again, multiple-use development blends recreation potential with agriculture for increased income.

#### FORESTRY

There is a need to speed the gathering of timber-resource data on quantity, quality, and location for use when needed by industry.

Intensified forest management on all lands is stressed, but small private ownerships have the greatest need for better wood-product-marketing arrangements and management assistance.

Attention is called to developing opportunities for the products which can be expected soon from the larger forest plantations. There is opportunity to market special forest products, such as Christmas wreaths, charcoal, sphagnum moss, pine cones, and maple sap.

In many areas there is competition for wood procurement by various industries. In other parts good raw materials go unmarketed. This occurs because landowners' groups are generally not well organized to solve their marketing needs. Marketing organizations have been successful in some cases. In others, brokers have furnished the needed service. In many cases landowners are better organized to secure farm supplies, electric service, special crop sales, purchase and sale of animals, and other farm-type services.

A key element in marketing assistance for the small owner is a market that permits him to sell his raw product for the highest value use. Concentration yards for rough forest products permit sorting his product for kind, grade, and highest price, and also help stabilize the flow of raw materials. Many opportunities exist for such group-marketing techniques.

#### TRANSPORTATION—A KEY

Today's developing economic conditions call for considerable revision of existing transportation systems in the northern Great Lakes region. Access to the lakes, streams, and scenic spots is inadequate for the best use of those resources. The sparse population, discontinuous agriculture areas, fragmented ownership, extensive public lands, and the nature of the terrain have deterred development of a swift transportation system throughout the region. Transportation is one of the keys to greater development.

The recreation resources cannot be transported. People must be brought into the region. The use of railroads and boats has dropped steeply in all parts of the country. Nearly 9 out of 10 recreationists come and go by car. Time and distance are major factors. Eight States south of the region contain nearly 50 million people, all potential users of the recreation resource in the region, and a market for its other products. The central and southern parts of this market area are well served by major trunkline highways, railroads, and airlines. The northern part remains to be tied to this network.

Expressways shrink distances (in terms of time) and draw the region's markets and resources closer together. Some relocations of this type are already taking place. The impact of linking Detroit by high-speed freeway to the Mackinac Bridge is already reflected in new summer homes, winter resort construction, and roadside service. Comparable north-south freeways are vitally needed in Wisconsin and Minnesota. These and many other opportunities for improving transportation need sustained local leadership.

There is a high potential for scenic pleasure driving through the outstanding parts of the region. Present highway economics and public works policy are not geared to this situation. Conscious management for scenic needs can improve recreation potential as well as provide economic benefits.

#### LANDOWNERSHIP INFLUENCES

Fragmented ownerships in the region reflect to some extent a lack of specific goals in ownership. Splitting and resplitting land, without development or improvement, lessen the possibility of good returns from resources. The situation may stem from a low land value (often leading to speculation) or a lack of under-

standing of potential values. Eighty percent of private-land ownerships consists of small parcels predominantly held by absentee owners.

Intermingled and fragmented ownerships make it difficult to define management objectives. Owners also find it difficult to manage the land efficiently. Opportunities are numerous for creating manageable blocks of property.

Leadership in group management for small, private ownerships should come from the principal landownerships. Tracts that cannot produce marketable quantities of timber, or wildlife, for example, can often become productive when joined with neighboring parcels. Areas not easily accessible often adjoin areas that are. Valuable frontage on lakes and streams can be shared for activities that jointly use adjacent areas of waterless lands.

Opportunities for changes in ownership, to serve all ownerships and to accelerate recreation and other developments, are thus evident. Encouragement of such adjustments may not be considered a local government function. Various groups of people in local government, however, can stimulate desirable action.

#### EMPLOYMENT, EDUCATION, AND EXTENSION

Some employment opportunities in this region can be realized quickly; others not. Multiple use of resources and recreation is one of many needs in an overall program to alleviate unemployment.

One need is to project a new image of rural employment. Another need, particularly in outdoor recreation employment, is to provide better service. Widespread training and retraining efforts are necessary.

All three States in the region have programs of extension education in outdoor recreation—a good foundation for exploiting opportunities in an expanded outdoor recreation program. More trained personnel, funds, and intensive coverage are needed in each State.

Communitywide emphasis on better public relations is needed. Everyone shares responsibility for the local image presented to visitors.

Work camps for young adults can produce immediate and future benefits. Administered as continuing or seasonal operations, like the Civilian Conservation Corps, they could meet many purposes which would directly assist recreational development while providing employment and training.

There are also opportunities on State and Federal forests and parks for a continuing program of public works which would bridge the gaps in seasonal employment. All agencies of government could participate.

A need is often expressed for the services of people trained in recreational development. New enterprises need help in locating sites, planning development, and sizing up local resources. Investment financing needs call for supplementary help from public sources because local banks are often unable to invest heavily in long-term improvement loans. And, RAD committees and technical action panels can help.

#### INSTITUTIONAL FACTORS INVOLVED

The challenge presented by the opportunities rests on local leadership. Governments are tools to be used by people. The local counties are key instruments in promoting progress toward unified development goals. Counties can act as catalysts.

They can work together on regional planning. The goal is the same—regional improvement. State statutes cover this. Road systems are a subject for more intensive county study. For example, as counties move toward greater overall resource development, they can justify new road projects.

Counties may cooperate through regional planning commissions to make studies and prepare master plans.

Rural renewal projects can be started under the Food and Agriculture Act of 1962. Local people, with the assistance of local and State RAD committees and State and Federal agencies, can start projects to eliminate chronic underemployment. Pilot projects of good examples are needed.

Comprehensive zoning regulations are a major need to insure high-value development of outdoor recreation. Counties are a key in their establishment and administration. Good zoning ordinances exist in some areas today. In others, they are ineffective and outdated. Good zoning ordinances can prevent realty speculation, too frequently detrimental to regional growth.



The whole range of these opportunities for implementing regional planning should be explored. Local governments have powers to cooperate outside their borders for planning purposes. This broader look is essential if comprehensive planning is to be effective. County recreation and development committees should seize all opportunities to learn the regional economic conditions that can be capitalized.

#### A LOOK AHEAD

There are eight recommendations that can implement local area benefits :

- (1) Adjust the use of the land.
- (2) Initiate rural renewal projects.
- (3) Stimulate resource conservation, outdoor recreation, and other development projects.
- (4) Encourage watershed protection and development.
- (5) Support financial loans for recreation-fish-forestry enterprises.
- (6) Aid land and water conservation programs.
- (7) Stimulate technical forestry assistance.
- (8) Utilize all agency and departmental resources in a wholesale effort to improve the well-being and opportunities for the area resident.

#### THE CHALLENGE

The amount and kind of economic growth in the northern Great Lakes region will be to a great extent the people's choice. They are the ones directly affected. They have the most at stake. They can use the tools available for planning and development; they can improvise, adapt, and innovate; and they can call for new tools or modification of the old if the present ones do not serve.

The future of the northern Great Lakes region, as in all rural America, rests where it should, with the people who are most directly concerned.

Senator HART. Essentially, the difference between the proposal for Upper Great Lakes Development Act and the Appalachian bill is that our proposal at this stage does not now authorize a substantial public works program. The charge to the authority, which we propose, and the special programs authorized, are essentially for regional planning, coordination, and technical and research grants. Close work with and assistance to State and local development organizations is contemplated.

We believe that for the upper Great Lakes region, this is the timely and most effective next step. The only significant public works start would be the planning and initial engineering money for a scenic shoreline route along the south shore of Lake Superior, a proposal which has already received much support and whose favorable economic impact on the region is unquestioned.

There is no reason, as we see it, to delay the creation of a regional authority such as proposed. What is needed now is coordination of regional action plans, training assistance, research funds, and technical assistance to local development groups already existing or to be established in the region.

As the authority, and the State and local agencies working with the authority, develop more detailed programs and public works projects, Congress would have to make such authorizations and appropriations.

This first step is not an open account over which the Congress would have no control. If we do proceed with this, or a similar proposal, I am convinced that future Federal expenditures, developed with coordination on a regional basis, will mean that those public investments will be far more effective than the haphazard approach that we have sometimes seen with individual ARA and APW programs and projects.

Most importantly, and I speak now of the very deep conviction of the people in the Upper Great Lakes Basin, what we do not need is another economic study. We are filled to the gills with them.

Not that they are unproductive. They are all indeed very useful, but I show the committee some of the studies that have been made, which indeed underscore the resources of the region, the potentials, but the region has been reported and studied and analyzed almost beyond belief.

A most useful document is the one to which I have already made reference, "Resources and Recreation in the Northern Great Lakes Region," and you have been kind enough to permit publication, as a part of this hearing, of the summary of that document.

Your own publication of the 87th Congress on "Opportunities for Economic Development in Michigan's Upper Peninsula" will also be very useful in your consideration.

The Senate Interior Committee has held comprehensive hearings on iron ore resource development in the upper Great Lakes.

There has been established in the 16 counties of the Upper Peninsula of Michigan an Upper Peninsula Committee on Area Progress (UPCAP), which has organized a more localized economic planning and development coordinating group among these 16 counties. It has made significant studies and sponsored constructive projects.

In Minnesota, at the University of Minnesota, there is the Upper Midwest Research and Development Council, whose many significant economic studies include portions of the 80-county region of the upper Great Lakes.

The Department of the Interior's reports on power resources and recreation along our Nation's fourth great shoreline from a backdrop of useful studies justifying the need for national attention to this region.

These studies and reports, in our view, provide a sufficient backdrop for justifying the Senate Public Works Committee now to initiate brief concise hearings and consideration of the desirability of the proposed Upper Great Lakes Development Authority contained in our amendment.

It is our view that now is clearly the time to act, and hopefully act to coordinate this legislative effort with the Appalachian legislation. I believe there is no other region as ready to proceed with legislative consideration with Appalachia as the one for which we speak through our amendment. We think that the two proposals could easily be combined with benefit to each.

Mr. Chairman, the citizens of Hurley, Wis., and Ironwood, Mich., where two more deep iron ore mines closed this past month, where unemployment is now over 13 percent and will be on the rise with these closings—these citizens know that there does not need to be another study, or another conference. The region is economically depressed, and its hope lies in the most direct and dramatic coordination of Federal, State, and local planning, and action to build on the human and natural resource potentials that we know are there.

The rate of continuing consistent unemployment in the region for which I speak runs 20 percent higher than Appalachia.

Mr. Chairman, we have a section-by-section analysis of the Upper Great Lakes Development Authority amendment attached to this



statement. This is a summary of the proposal. The sponsors would suggest additional language to permit a procedure by which additional counties could be added to the basic listing that we have submitted, since it may well be that projects and programs would affect these adjoining counties.

In addition, I would ask that there be printed with my testimony charts showing—

1. Counties covered and their 1960 census.
2. Percent population employed in selected occupations, 1960.
3. Land and area and population by State.
4. Changes in employment and the labor force.
5. Changes in value of manufacturing.
6. Changes in wholesale sales.
7. Changes in value of farm products.
8. Changes in the retail sales.

(The prepared statement by Senator Hart, the Hart amendment, and the supporting analysis and charts referred to follow:)

PREPARED STATEMENT OF HON. PHILIP A. HART, A U.S. SENATOR FROM THE STATE OF MICHIGAN

Mr. Chairman, first, those of us far beyond the Appalachian Range are indebted to you, Senator Randolph, for the energy and vision you have given to evolving a pattern of national legislation to meet serious problems of regional economic deprivation.

The path that has been broken by the Members of Congress and State and local officials, who so ably give leadership to the Appalachian program, guides all of us who represent States where particular areas are bypassed by the growing, vigorous national economy.

President Johnson, in his forthright state of the Union message, gave full endorsement to these challenges when he said:

"I propose we carry out a new program to develop regions of our country now suffering from distress and depression \* \* \*.

"We can help insure continued prosperity through:

"A regional recovery program to assist development of stricken areas left behind by our national progress \* \* \*."—State of the Union, January 4, 1965.

So it is, Mr. Chairman, that Senator Nelson of Wisconsin, Senators McCarthy and Mondale of Minnesota and I bring to you this morning our proposed addition to the pending Appalachia bill, S. 3, which is to initiate in an 80-county, 3-State area in the northern Great Lakes States of Michigan, Minnesota, and Wisconsin, the beginning of a regional program to meet the economic distress and serious neglect of this part of our Nation.

The upper Great Lakes States region has a continuing unemployment rate that is some 20 percent higher than that of Appalachia. A few of the indicative regional statistics:

Unemployment for the region averages 8.9 percent.

Between 1950 and 1960 U.S. population grew 18.5 percent, the population of the three States by 18.8 percent, but the region's population by only 1.2 percent.

Between 1950 and 1960 the region's labor force dropped by 1.1 percent while that of the Nation increased by 15.4 percent.

Wholesale sales for the same period increased nationally by 54.2 percent, the 80 counties by only 22.1 percent.

The value of farm commodities increased nationally by 68.4 percent in the same period, but in the 80 counties only by 13 percent.

As one looks at the problems and opportunities confronting Appalachia, there is a striking similarity with those of the upper Great Lakes area:

We find that both have been bypassed by major transportation arteries and have been essentially isolated from the commerce and economic growth of other regions in these States;

Both Appalachia and the upper Great Lakes have suffered substantial outmigration of population—especially by the young people—to the point that in our 80-county area there has only been 1.2-percent population increase while the Nation increased 18.5 percent.

The overall educational attainment in the upper Great Lakes counties is substantially below that of the Nation and adjoining parts of the three States;

Our economy was largely based on the exploitation of vast timber and high-grade iron or resources. Today, the high-grade ore deposits are in most instances uneconomical. Some progress is being made to utilize the lower grade ores, but much more resource and technical improvement is needed;

The timber resources are significant, but we find the need to stimulate new timber utilization programs and new wood-using industries;

Public and private recreation development may offer the single most important opportunity for this region, but here too the investment of the Federal Government in new projects and public works is a critical factor. There is a need to step up funding of small watershed programs, forest campsite construction, Corps of Engineer harbors of refuge, recreation and park areas, wildlife preserves, forest access highways, scenic parkways, and the many other Federal and Federal-State programs that are also so important to Appalachia.

Natural disasters affecting the fishing industry have left a deep mark. With expanded lamprey control programs and increased technical and financial assistance a major fishing industry can be reestablished.

It is my understanding, from the testimony here on Tuesday, that the administration will recommend a \$50 million supplemental appropriation to ongoing Federal programs authorized in the Appalachia Act of the type just outlined. This is an appropriate approach to regional distress, and should be supported. There is equal justification for such pinpointed investment in the upper Great Lakes region where similar projects are ready to go. One of the first responsibilities of the Authority will be to work with local and State agencies in identifying those that should be accelerated. To review some of the work in the region and here in Washington preparatory to submitting this proposal to the Congress, in the early days of the area redevelopment program some of us urged that this entire region be treated as one unit for the purposes of ARA planning, analysis, and project location. It was unfortunate that this was not done.

In 1963, Secretary Freeman joined with Governor Rolvaag, of Minnesota, and others to call a Land and People Conference in Duluth, Minn. Several hundred citizens representing public and private groups, State and local agencies, came to Duluth. They heard President Kennedy pledge his support for the " \* \* \* beginning of a bright new era for the upper Great Lakes—an era in which the Nation's growing population looks to this region more and more as a major recreation area \* \* \* as a major source of the lumber, paper, and paper products which modern industry consumes \* \* \* as a great producer of taconite \* \* \*". In the achievement of these goals, I pledge my full support and the support of every Federal agency \* \* \*."

Today, as a supplement to this testimony, a record of the proceedings of this 1963 Duluth Conference is filed with the committee. This was one of the several conferences, meetings, and studies that the sponsors have drawn upon in drafting this proposal.

Essentially, the difference between the proposal for Upper Great Lakes Development Act and the Appalachian bill is that our proposal at this stage does not now authorize a substantial public works program. The charge to the Authority, and the special programs authorized, are essentially for regional planning, coordination, and technical and research grants. Close work and assistance with State and local development organizations is contemplated.

We believe, for the upper Great Lakes region, this is the timely and most effective next step. The only significant public works start would be the planning and initial engineering money for a scenic shoreline route along the south shore of Lake Superior, proposal which has already received much support and whose favorable economic impact on the region is unquestioned.

There is no reason to delay the creation of a regional authority such as proposed. What is needed now is coordination of regional action plans, training assistance, research funds, and technical assistance to local development groups already existing or to be established in the region. As the Authority, and the State and local agencies working with the Authority, develop more detailed programs and public works projects, Congress would have to make such authorizations and appropriations.



This first step is not an open account over which the Congress would have no control. If we do proceed with this or a similar proposal, I am convinced that future Federal expenditures, developed with coordination on a regional basis, will mean that those public investments will be far more effective than the sometimes haphazard approach that we have seen at times with individual ARA and APW programs and projects.

Additionally, it is the opinion of all who are concerned with the economic needs of the upper Great Lakes that the one next step that we do not need is another economic study. The region has been reported and studied beyond belief.

The most useful document for the committee, and the most comprehensive, is the report "Resources and Recreation in the North Great Lakes Region" prepared by a U.S. Department of Agriculture task force. I ask that a summary of this report be printed following my testimony.

Your committee's own publications of the 87th Congress on "Opportunities for Economic Development in Michigan's Upper Peninsula" will be useful in your consideration.

The Senate Interior Committee has held comprehensive hearings on iron ore resource development in the upper Great Lakes.

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The Department of the Interior's reports on power resources and recreation along our Nation's fourth great shoreline form a backdrop of useful studies justifying the need for national attention to this region.

These studies and reports, in our view, provide a sufficient backdrop for justifying the Senate Public Works Committee now to initiate brief concise hearings and consideration of the desirability of the proposed Upper Great Lakes Development Authority contained in our amendment. It is our view that now is clearly the time to act, and hopefully to coordinate this legislative effort with the Appalachian legislation. I believe there is no other region as ready to proceed with legislative consideration with Appalachia, so these two proposals could easily be combined with benefit to each.

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A section-by-section analysis of the Upper Great Lakes Development Authority amendment is attached to this statement. This is a summary of the proposal. The sponsors would suggest additional language to permit a procedure by which additional counties could be added to the basic listing that we have submitted, since it may well be that projects and programs would affect these adjoining counties.

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SECTION-BY-SECTION SUMMARY OF UPPER GREAT LAKES REGIONAL DEVELOPMENT  
ACT PRESENTED AS AMENDMENT NO. 1 TO S. 3

TITLE V—SHORT TITLE AND STATEMENT OF PURPOSE

Section 501. The short title of this chapter shall be "Upper Great Lakes Regional Development Act of 1965."

Section 502. Sets forth the findings that the upper Great Lakes region lags behind the Nation in economic growth as a result of changes in the nature of its resource base and the requirements of the Nation's economy, and that revitalization can come only through extensive participation by State and local authorities along with the Federal Government in implementing development programs tailored to the region. The purpose of this chapter is to promote the economic development of the region and to establish a framework for joint Federal and State efforts to this end.

TITLE VI—UPPER GREAT LAKES DEVELOPMENT AUTHORITY

Section 601. Establishes the Upper Great Lakes Development Authority to be composed of seven members, four appointed by the President with the advice and consent of the Senate, and three appointed by the Governors of the States, one from each State. Of the Presidential appointments, one shall be from each State, and the fourth to be at the discretion of the President shall serve as Chairman. Decisions of the Authority shall be by vote of the Chairman and three others.

Section 602. The functions of the Authority shall be (1) to develop comprehensive and coordinated plans and programs and priorities, including those for land use and public works; (2) conduct and sponsor investigations, research and studies and in cooperation with Federal, State, and local agencies, sponsor demonstration projects to foster regional growth; (3) review, study, recommend modifications of, and additions to, Federal, State, and local public and private programs; (4) formulate and recommend interstate compacts and other forms of interstate cooperation; (5) encourage the formation of, and support existing, local development districts with technical assistance and financing of staff and administration; (6) encourage private investment in industrial, commercial, and recreational projects; (7) serve as a focal point and coordinating unit for Federal, State, and local programs; (8) provide a forum for consideration of problems of the region and proposed solutions; and (9) formulate for the Congress a program of development projects with proposals for Federal participation in their funding.

Section 603. Sets forth the administrative powers of the Authority.

TITLE VII—SPECIAL PROGRAMS FOR UPPER GREAT LAKES REGION

Section 701. Authorizes the Authority to contract with or make grants to any agency of the United States, any agency of any State or local government, any public or private educational institution, or any private research organization to carry on basic and applied research on improving techniques for extracting, processing, transporting, and marketing of the natural resources of the region, and makes available \$3 million for this purpose.

Section 702. Authorizes the Authority to award fellowships for graduate study in resource development, industrial development, community development, area economic planning, economic and physical planning, and other areas determined by the Authority, and makes available \$500,000 for this purpose.

Section 703. Authorizes the Authority, in cooperation with the Secretary of Commerce, to prepare detailed plans for a Lake Superior scenic highway, including land use planning with emphasis on sites for recreational development, and makes available \$2 million for this purpose, 10 percent of which shall be available for land use planning.

Section 704. Authorizes the Authority to make grants to certified local development districts for not more than 90 percent of the costs of technical staff and consultant assistance to such districts, and makes available \$2 million for this purpose.



## TITLE VIII—MISCELLANEOUS

Section 801. Authorizes \$10 million to be appropriated for fiscal year 1966 to carry out the purposes of this chapter.

Section 802. Directs the Authority to prepare annual reports on its activities to be submitted to the Governors of the States and to the President for transmittal to the Congress.

Section 803. Stipulates that no State shall be required to engage in any program under this chapter without its consent.

Section 804. Defines the upper Great Lakes region as those 80 counties in the States of Minnesota, Wisconsin, and Michigan set forth in this section.

## 79 COUNTIES IN THE UPPER GREAT LAKES REGION—MICHIGAN, MINNESOTA, AND WISCONSIN

TABLE I.—Percent employed in selected occupations, 1960

Occupation	79 counties	45 counties in Michigan	16 counties in Minnesota	18 counties in Wisconsin
All employed.....	100.0	100.0	100.0	100.0
Agriculture.....	10.8	8.1	9.9	17.7
Forests and fisheries.....	.5	.5	.5	.7
Mining.....	8.7	5.7	10.7	1.0
Construction.....	6.0	7.1	5.3	5.0
Manufacturing.....	20.4	22.6	15.7	22.5
Entertainment and recreation.....	.7	.7	.7	.6
Eating and drinking places.....	3.6	3.5	3.0	4.4
Retailing (except food).....	9.6	10.0	9.4	9.0
All other.....	39.7	41.8	44.8	39.1

TABLE II.—Land area and population

	Land area		Population				Percent change 1950-60
	Square miles	Percent of United States	Total 1960	Percent of United States (1960)	Total 1950	Percent of United States (1950)	
United States.....	3,548,974	100.0	179,323,175	100.0	150,697,361	100.0	18.5
Total Michigan, Minnesota, Wisconsin.....	191,733	5.4	15,188,835	8.5	12,788,824	8.5	18.8
79 counties upper Great Lakes.....	81,282	2.3	1,472,885	.8	1,455,899	1.0	1.2
3 State area (percent).....		42.4		9.7		11.4	
Michigan.....	57,019	1.6	7,823,194	4.4	6,371,766	4.2	22.8
45 counties.....	32,793	50.9	696,202	.4	690,049	10.5	.9
Michigan (percent).....		57.5		8.9		10.8	
Minnesota.....	80,009	2.3	3,413,864	1.9	2,982,483	2.0	14.5
16 counties.....	30,719	.9	478,531	.3	449,354	.3	6.5
Minnesota (percent).....		38.4		14.0		15.1	
Wisconsin.....	54,705	1.5	3,951,777	2.2	3,434,575	2.3	15.1
18 counties.....	17,770	.5	298,142	.2	316,496	.2	-5.8
Wisconsin (percent).....		32.5		7.5		9.2	

TABLE III.—*Employment and the labor force*

	Employed			Unemployed			Civilian labor force		
	1960	1950	Percent change, 1950-60	1960	1950	Percent change, 1950-60	1960	1950	Percent change, 1950-60
United States.....	64,668,731	56,239,449	15.0	3,475,348	2,832,206	22.7	68,144,079	59,071,655	15.4
Total Michigan, Minnesota, Wisconsin.....	5,430,312	4,892,729	11.0	326,723	219,481	48.9	5,757,085	5,112,210	12.6
79 counties upper Great Lakes.....	4,461,503	4,479,891	-3.8	45,038	32,418	38.9	5,506,571	5,121,311	-1.1
Michigan.....	2,728,154	2,393,574	14.0	202,194	136,486	48.1	2,930,348	2,531,060	15.8
45 counties.....	210,876	208,007	1.4	21,854	16,299	34.8	232,760	224,218	3.8
Minnesota.....	1,234,017	1,143,872	7.9	64,948	41,895	55.0	1,298,965	1,185,767	9.5
16 counties.....	152,080	162,338	-6.3	15,973	9,851	62.1	168,063	172,189	(+)
Wisconsin.....	1,468,141	1,355,283	8.3	59,581	41,100	45.0	1,527,722	1,396,333	9.4
18 counties.....	93,547	109,546	-10.0	7,211	6,358	13.4	105,758	115,904	-8.8





# LAND RESOURCE AREA MAP FOR NORTHERN GREAT LAKES REGION

NOTE: THE EIGHT RESOURCE AREAS ARE DESCRIBED  
IN ACCOMPANYING TEXT.

RESOURCE AREA	PERCENT OF AREA
1	3.5
2	21.6
3	32.4
3a	
4	5.2
5	3.2
6	12.6
6a	
7	5.1
8	16.4

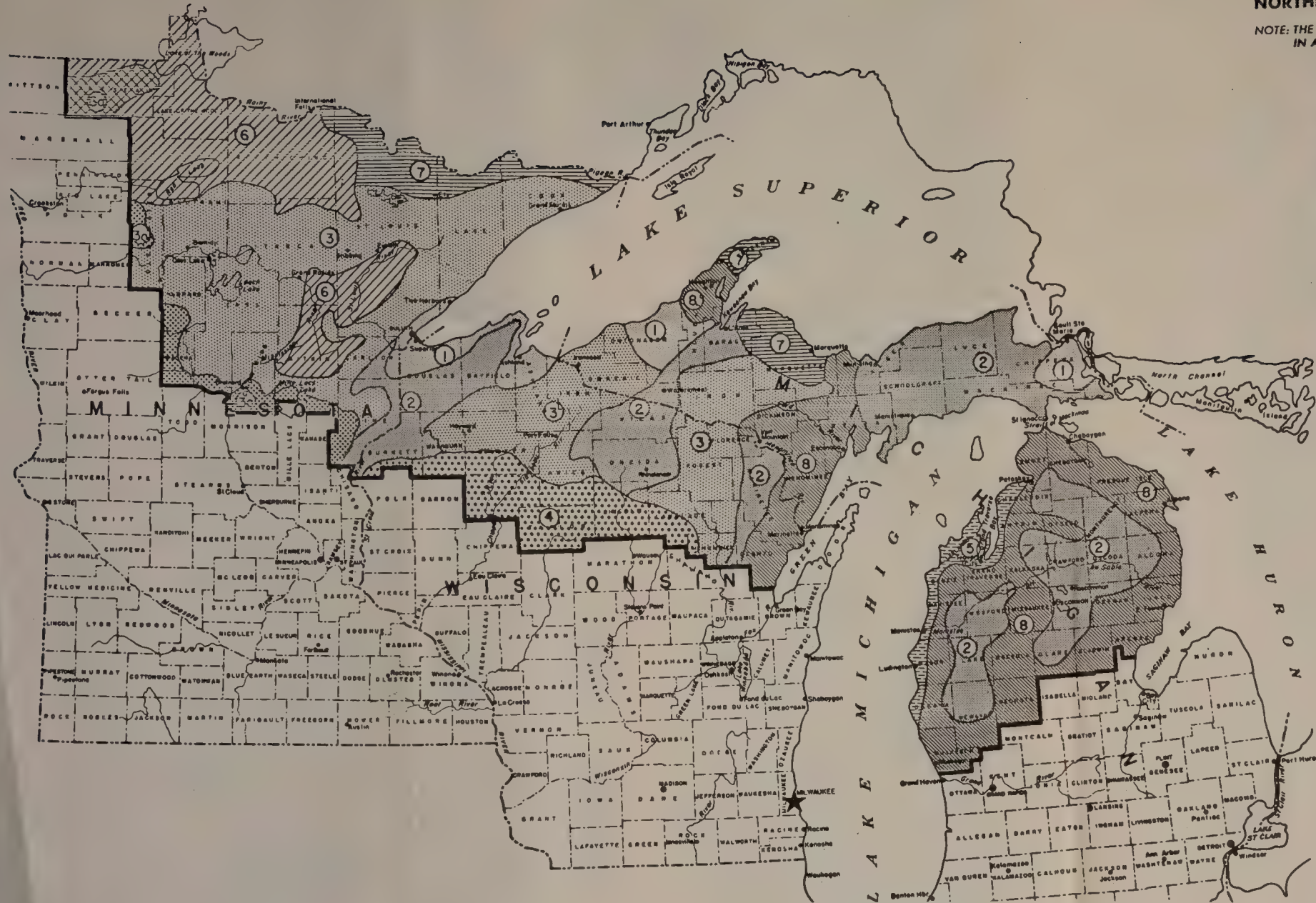




TABLE IV.—*Manufacturing—Value added*

Region or area	1958	1947	Percent of United States, 1958	Percent change, 1947-58
United States.....	\$141,380,886,000	\$74,425,825,000	100.0	90.0
Total Michigan, Minnesota, and Wisconsin.....	\$14,373,556,000	\$8,479,498,000	10.2	69.5
79 upper Great Lakes counties.....	<sup>1</sup> \$554,165,000	<sup>1</sup> \$315,672,000	.4	75.6
Percent of 3-State area.....	3.9			
Michigan.....	\$8,363,614,000	\$5,196,338,000	5.9	61.0
45 counties.....	\$247,609,000	\$156,161,000	.2	58.6
Percent of Michigan.....	3			
Minnesota.....	\$2,050,405,000	\$1,022,586,000	1.4	100.5
16 counties.....	\$156,575,000	\$78,199,000	.1	100.2
Percent of Minnesota.....	7.6			
Wisconsin.....	\$3,959,537,000	\$2,260,574,000	2.8	75.2
18 counties.....	\$149,981,000	\$81,312,000	.1	84.5
Percent of Wisconsin.....	3.8			

<sup>1</sup> Information withheld to avoid disclosure of individual establishments on 5 counties in 1958 and 4 counties in 1947.

TABLE V.—*Wholesale sales*

Region or area	1958	1948	Percent of United States, 1958	Percent change, 1948-58
United States.....	\$285,726,904,000	\$185,276,781,000	100.0	54.2
Total Michigan, Minnesota, and Wisconsin.....	\$22,674,671,000	\$14,167,330,000	7.9	66.0
79 upper Great Lakes counties.....	<sup>1</sup> \$968,307,000	<sup>1</sup> \$792,975,000	.3	22.1
Percent of 3-State area.....	4.3			
Michigan.....	\$11,600,435,000	\$6,485,958,000	4.1	78.9
45 counties.....	\$342,236,000	\$210,599,000	.1	62.5
Percent of Michigan.....	3			
Minnesota.....	\$6,538,039,000	\$4,934,363,000	2.3	32.5
16 counties.....	\$430,202,000	\$375,594,000	.2	14.5
Percent of Minnesota.....	6.6			
Wisconsin.....	\$4,536,197,000	\$2,747,009,000	1.6	65.1
18 counties.....	\$195,869,000	\$206,782,000	.1	-5.3
Percent of Wisconsin.....	4.3			

<sup>1</sup> Information withheld to avoid disclosure of individual establishments on 3 counties in 1958 and 9 counties in 1948.

TABLE VI.—*Retail sales*

Region or area	1958	1948	Percent of United States, 1958	Percent change, 1948-58
United States.....	\$200,370,378,000	\$129,963,114,000	100.0	54.1
Total Michigan, Minnesota, and Wisconsin.....	\$17,329,215,000	\$12,069,306,000	8.6	43.6
79 upper Great Lakes counties.....	\$1,575,938,000	\$1,162,767,000	.8	35.5
Percent of 3-State area.....	9.1			
Michigan.....	\$8,897,661,000	\$5,941,538,000	1.3	49.8
45 counties.....	\$750,399,000	\$522,304,000	.4	43.7
Percent of Michigan.....	8.4			
Minnesota.....	\$3,976,493,000	\$2,896,613,000	2.0	37.3
16 counties.....	\$494,123,000	\$380,580,000	.2	29.8
Percent of Minnesota.....	12.4			
Wisconsin.....	\$4,455,061,000	\$3,231,155,000	2.2	37.9
18 counties.....	\$331,416,000	\$259,883,000	.2	27.5
Percent of Wisconsin.....	7.4			

TABLE VII.—*Agriculture—Value of farm products*

[Dollars in thousands]

Region or area	1959	1945	Percent of the United States	Percent change, 1945-59
United States.....	\$30,492,721	\$18,108,132	100.0	68.4
Total, Michigan, Minnesota, and Wisconsin.....	\$2,795,813	\$1,786,902	9.2	56.5
79 upper Great Lakes counties.....	\$223,040	\$197,402	.7	13.0
Percent of 3-State area.....	8			
Michigan.....	\$622,960	\$413,404	2.0	50.7
45 counties.....	\$90,642	\$84,430	.3	7.4
Percent of Michigan.....	14.6			
Minnesota.....	\$1,211,750	\$709,861	4.0	70.7
16 counties.....	\$58,067	\$53,090	.2	9.4
Percent of Minnesota.....	4.8			
Wisconsin.....	\$961,103	\$663,637	3.2	44.8
18 counties.....	\$74,331	\$59,882	.2	24.1
Percent of Wisconsin.....	7.7			

Senator HART. I now ask that my proposed amendments to S. 3 be placed in the record.

Senator RANDOLPH. It is so ordered.

(The amendments are as follows:)

[S. 3, 89th Cong., 1st sess.]

#### AMENDMENTS

Intended to be proposed by Mr. HART (for himself, Mr. MCCARTHY, Mr. MONDALE, and Mr. NELSON) to S. 3, a bill to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region, viz:

On page 1 strike out lines 3 and 4 and insert in lieu thereof the following:

#### “CHAPTER 1—APPALACHIAN REGIONAL DEVELOPMENT

##### “SHORT TITLE

“SECTION 1. This chapter may be cited as the ‘Appalachian Regional Development Act of 1965’, and all references in this chapter to the words ‘this Act’ shall be held to refer to ‘this chapter.’”

At the end of the bill add the following new chapter:

#### “CHAPTER 2—UPPER GREAT LAKES REGIONAL DEVELOPMENT

##### “TITLE V—SHORT TITLE AND STATEMENT OF PURPOSE

##### “SHORT TITLE

“SEC. 501. This chapter may be cited as the ‘Upper Great Lakes Regional Development Act of 1965’.

##### “FINDINGS AND STATEMENT OF PURPOSE

“SEC. 502. As a result of changes in the nature of its resource base and changing requirements of the national economy, the Upper Great Lakes Region of the United States lags behind the Nation in its economic growth, and its people have not shared properly in the Nation’s prosperity. The region’s historical reliance on the extractive industries of metals mining and lumbering has resulted in depletion of its high grade natural resources, and it has not found the means to adapt fully to the exploitation of its lower grade resources. Upgrading the human and natural resources and their uses, and development of the region’s recreation potential are prerequisites for vigorous and self-sustaining growth. Such a needed revitalization can come only through extensive participation by State and local authorities along with the Federal Government in implementing development programs tailored to the needs and resources of the



region. Congress recognizes that a large body of research by Federal, State, and private organizations has established the feasibility, the desirability, and the urgent need for regionwide development. It is, therefore, the purpose of this chapter to assist the region in meeting its special problems, to promote economic development, and to establish a framework for joint Federal and State efforts toward making the adaptations and advances essential to growth on a coordinated and concerted basis. As the region obtains the needed technologies and infrastructure and the requisite human resources to guide and operate its new activities, Congress expects that the region will then be able to participate more effectively in the national free enterprise economy.

#### "TITLE VI—THE UPPER GREAT LAKES DEVELOPMENT AUTHORITY

##### "MEMBERSHIP AND VOTING

"SEC. 601. (a) The Upper Great Lakes Development Authority (referred to as the 'Authority') shall be composed of seven members, four appointed by the President, by and with the advice and consent of the Senate, and three appointed by the Governors of the States, one from each participating State. No member of the Authority shall be the holder of a full-time public office in either State or Federal Government. Of the Presidential appointments, one shall be made from each of the participating States; the fourth shall be at the discretion of the President and shall serve as Chairman and full-time executive officer of the Authority.

"(b) Decisions by the Authority, unless delegated to the Chairman, shall require the affirmative vote of the Chairman and three others.

"(c) The Chairman shall be compensated at the rate prescribed for level IV of the Federal Executive Salary Schedule established by the Federal Executive Salary Act of 1964. There shall be a Deputy Chairman appointed by the Chairman with the approval of the Authority, who shall serve as his alternate and who shall be compensated at the rate prescribed for grade 18 of the General Schedule of the Classification Act of 1949, and when not serving as an alternate for the Chairman shall perform such duties as are delegated to him by the Chairman. Other members of the Authority shall receive compensation at a rate of \$75 per diem for each day on which they are engaged in the performance of duties of the Authority, and shall be reimbursed by the Authority for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

##### "FUNCTIONS OF THE AUTHORITY

"SEC. 602. In carrying out the purposes of this chapter the Authority shall—

"(1) develop, on a continuing basis, comprehensive and coordinated plans and programs, including those for land use and public works, and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

"(2) conduct and sponsor investigations, research, and studies, including where necessary, inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

"(3) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region and assist in their financing;

"(4) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation;

"(5) support existing local development districts and encourage their formation where needed by providing technical assistance and participating in the financing of professional staff and administration;

"(6) encourage private investment in industrial, commercial, and recreational projects;

"(7) serve as a focal point and coordinating unit for Federal, State, and local programs in the region;

"(8) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences; and

"(9) formulate for the Congress a program of development projects with proposals for Federal participation in their funding.

# “ADMINISTRATIVE POWERS OF THE AUTHORITY

“SEC. 603. To carry out its duties under this chapter, the Authority is authorized to—

“(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions;

“(2) appoint and fix the compensation of such personnel as may be necessary to enable the Authority to carry out its functions, in accordance with the civil service laws and the Classification Act of 1949;

“(3) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the Authority such personnel within his administrative jurisdiction as the Authority may need for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status;

“(4) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency;

“(5) accept, use, and dispose of gifts or donations of services of property, real, personal, or mixed, tangible or intangible;

“(6) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation;

“(7) establish a permanent office at such location as it may select and field offices at such other places as it may deem appropriate; and

“(8) take such other actions and incur such other expenses as may be necessary or appropriate.

## “TITLE VII—SPECIAL PROGRAMS FOR UPPER GREAT LAKES REGION

### “NATURAL RESOURCE DEVELOPMENT

“SEC. 701. (a) In order to promote the conservation and fuller utilization of the natural resources of the region, the Authority is authorized to contract with or make grants to any department, agency, or instrumentality of the United States, any State or political subdivision, agency or instrumentality thereof, any public or private educational institution or any private research organization to carry on basic and applied research on improving techniques for extracting, processing, transporting, and marketing of such resources.

“(b) Not to exceed \$3,000,000 of the funds authorized in section 801 of this chapter shall be available to carry out this section.

### “TRAINING ASSISTANCE

“SEC. 702. (a) In order to assure continuing and orderly planning and implementation of economic development programs within the region, the Authority is authorized to award fellowships for graduate study in resource development, industrial development, community development, area economic planning, economic and physical planning, and such other areas of study as the Authority determines will carry out the purposes of this chapter.

“(b) Not to exceed \$500,000 of the funds authorized in section 801 of this chapter shall be available to carry out this section.

### “RECREATIONAL DEVELOPMENT: LAKE SUPERIOR SCENIC HIGHWAY

“SEC. 703. (a) In order to develop and coordinate the recreational resources of the region, the Authority, in cooperation with the Secretary of Commerce, shall prepare detailed plans for a scenic highway in the region to be known as the Lake Superior Scenic Highway. Such plans shall include land use planning in the impact areas of the highway with emphasis on sites for recreational development and provisions for the control over the use of such sites.

“(b) Not to exceed \$2,000,000 of the funds authorized in section 801 of this chapter shall be available to carry out this section, of which 10 per centum shall be available for the land use planning referred to in subsection (a) of this section.



## "LOCAL DEVELOPMENT DISTRICTS: CERTIFICATION, FINANCIAL ASSISTANCE

"SEC. 704. (a) For the purpose of this chapter, a 'local development district' shall be an entity certified to the Authority either by the Governor of the State or States in which such entity is located, or by the State officer designated by the appropriate State law to make such certification, as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region. No entity shall be certified as a local development district for the purposes of this Act unless it is one of the following:

"(1) A nonprofit incorporated body organized or chartered under the law of the State in which it is located;

"(2) A nonprofit agency or instrumentality of a State or local government;

"(3) A nonprofit agency or instrumentality created through an interstate compact; or

"(4) A nonprofit association or combination of such bodies; agencies, and instrumentalities.

"(b) The Authority is authorized to make grants to certified local development districts for the costs of technical staff and consultant assistance to such districts. The amount of any such grant shall not exceed 90 per centum of such costs in any one fiscal year. The Authority may delegate staff members to assist certified local development districts to prepare requests for grants under this section.

"(c) Not to exceed \$2,000,000 of the funds authorized in section 801 of this chapter shall be available to carry out this section.

## "TITLE VIII—MISCELLANEOUS

## "AUTHORIZATION OF APPROPRIATIONS

"SEC. 801. There is hereby authorized to be appropriated for the period ending June 30, 1966, not to exceed \$10,000,000 to carry out this chapter, and for fiscal years thereafter such amounts as the Congress shall hereafter authorize.

## "ANNUAL REPORT

"SEC. 802. Not later than six months after the close of each fiscal year, the Authority shall prepare and submit to the Governor of each State in the region and to the President, for transmittal to the Congress, a report on the activities carried out under this chapter during such year.

## "CONSENT OF STATES

"SEC. 803. Nothing contained in this chapter shall be interpreted as requiring any State to engage in or accept any program under this chapter without its consent.

## "DEFINITION OF UPPER GREAT LAKES REGION

"SEC. 804. As used in this chapter, the term 'Upper Great Lakes region' or the 'region' means that area of the midwestern United States consisting of the following counties (including any political subdivision located within such area):

"In Minnesota—Aitkin, Beltrami, Carlton, Cass, Clearwater, Cook, Crow Wing, Hubbard, Itasca, Koochiching, Lake, Lake of the Woods, Pine, Roseau, St. Louis, and Wadena;

"In Wisconsin—Ashland, Bayfield, Burnett, Douglas, Florence, Forest, Iron, Langlade, Lincoln, Marinette, Menominee, Oconto, Oneida, Price, Rusk, Sawyer, Taylor, Vilas, and Washburn;

"In Michigan—Alcona, Alger, Alpena, Antrim, Arenac, Baraga, Benzie, Charlevoix, Cheboygan, Chippewa, Clare, Crawford, Delta, Dickinson, Emmet, Gladwin, Gogebic, Grand Traverse, Houghton, Iosco, Iron, Kalkaska, Keweenaw, Lake, Leelanau, Luce, Mackinac, Manistee, Marquette, Mason, Mecosta, Menominee, Missaukee, Montmorency, Newaygo, Oceana, Ogemaw, Ontonagon, Osceola, Oscoda, Otsego, Presque Isle, Roscommon, Schoolcraft, and Wexford."

Amend the title so as to read: "A bill to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian Region and to provide the planning and coordination needed to assist the economic development of the Upper Great Lakes region."

(Subsequently the following communication was ordered placed in the record:)

U.S. SENATE,  
COMMITTEE ON FINANCE,  
January 22, 1965.

Hon. PAT McNAMARA,  
Chairman, Committee on Public Works,  
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am enclosing a copy of an amendment which I offered in the Senate, but which as yet has not been printed. I would appreciate having it made part of the hearing record immediately following the amendment Senator Hart proposed to S. 3.

The purpose of the amendment is to permit the Authority designated in the proposed Upper Great Lakes Regional Development Authority to add additional counties in Minnesota, Wisconsin, and Michigan, if the members determine it necessary in order to carry out the provisions of the program.

Sincerely yours,

EUGENE J. MCCARTHY.

AMENDMENT Intended to be proposed by Mr. MCCARTHY to the amendment intended to be proposed by Mr. HART to S. 3, a bill to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region, viz:

On page 12, line 19, strike out the period and the quotation marks and in lieu thereof insert "; and".

On page 12, after line 19, add the following: "Such other counties in such States as are designated by the Authority under section 805.

"ADDITIONAL COUNTIES WITHIN UPPER GREAT LAKES REGION

"SEC. 805. The Authority is authorized to designate such other counties in the States of Minnesota, Wisconsin, and Michigan as part of the Upper Great Lakes Region for the purposes of this chapter as it determines necessary to carry out the purposes of this chapter."

Senator HART. Mr. Chairman, you have been kind to permit us to bring to your attention at this early stage the concerns of another region of our country where the potential is enormous and where the needs are equally so.

I do hope, knowing the understanding that you and your colleagues on the committee have developed over these years in responding to this kind of situation, that you will see fit to take our concerns to your heart and permit these people to find a place in the sun, too.

Senator RANDOLPH. Thank you very much, Senator Hart.

You are correct in indicating that the members of this committee will have a very genuine concern with you and other Members of the Senate in coming to grips with the many, many problems that exist in the area designated by your amendment.

I recall that on September 25, 1964, during the consideration of the Appalachian Regional Development Act in the Senate, that it was my responsibility to say for the record that I felt that the area which you and other Senators so well represent did have its problems, and I would be for a program to aid that section of our country, and I am sure that you focus attention today in a factual and in a helpful way to the committee on the upper Great Lakes area.

I am sure that within a reasonable time, we hope a very short time, the committee would be able, with you and others, to move forward toward enactment of appropriate and effective legislation.



I compliment you, and Senator Nelson, Senator McCarthy, and Senator Mondale, the sponsors of the proposal, on the efforts which you are making to bring to the attention of the committee and the Senate and, yes, the country, the immediate needs for not a handout, but the helping hand of the Federal Government coupled with local levels of government, and your fine citizenry, in facing these problems.

Thank you, Senator Hart.

Senator Cooper?

Senator COOPER. I would like to say, also, that we are grateful to you, Senator Hart, for coming before this committee to make a proposal which brings the attention of the committee to this 80-county area which has problems in some ways similar to those which we are discussing in connection with Appalachia. I think it is characteristic of your interest in the problems of your State and of this area and of its people that you do so.

I join with Senator Randolph in saying that I know that we will give consideration to your program, and I hope that it can be developed in some legislative action, if not this bill, in the future.

Senator HART. Thank you, Senator.

Senator RANDOLPH. Senator Cooper, I would wish to add to my earlier comment. The President of the United States, we are aware, is ready to lend his leadership to a program which would embrace the upper Great Lakes region. He, in his public statements and in his message, has indicated this fact.

I would also want to say that the distinguished chairman of the Senate Public Works Committee, Senator McNamara, your colleague, Senator Hart, of Michigan, is very, very conscious of the need for this committee and the Senate to move forward in this and other related matters. I am sure there is an atmosphere of understanding.

I again assure you and reassure you that you can count on the members of this committee in giving very earnest attention to the efforts which you initiate as indicated by your proposal and by your statement this morning.

Senator BOGGS. Mr. Chairman?

Senator RANDOLPH. Yes, Senator Boggs.

I do want to indicate that we are very privileged to have Senator Boggs present. He was not here with us on Tuesday because of the inauguration of the Governor of Delaware, but thoughtful as he always is, he indicated to the committee that he would be here today.

Thank you, Senator. And will you proceed to comment at this time?

Senator Boggs. Thank you very much, Mr. Chairman. You are very kind, and very generous also.

I want to thank our distinguished colleague, Senator Hart, too, for appearing here this morning. I appreciate your statement, Senator. I thought it was very good. Your area is one of the areas I had in mind last year when I expressed my brief reservations. Not that I was against Appalachia as such, but I did recognize that there are other areas in our great Nation that need attention also, and need the same kind of helping hand.

I was hopeful and thought that we should give more or less overall consideration to the criteria that could help meet these other regions as they would qualify. Some in your area, as you pointed out, are

more qualifying than many parts of Appalachia. So I am glad you and your colleagues came forward with this fine suggestion.

I do not have clearly in my mind—do you intend to press for immediate consideration along with Appalachia, or is this something you hope we will take up in the future?

Senator HART. Senator, clearly we would be delighted if the committee felt that at this juncture it could add by way of this amendment the authorization for the action that the amendment proposes. As I have indicated, we feel there is, as you have commented, ample reason to do it.

We, all of us, understand and are torn by really conflicting emotions, here. The needs of Appalachia I think all of us acknowledge. Surely all of us offering this amendment do. It is not our desire by this tender to jeopardize in any way the forward action with respect to Appalachia. Each of us who is on the amendment supported vigorously the passage of the Appalachia bill, and will again, with or without the amendment we now tender.

We realize that the evolution of ideas such as these is not always an overnight thing in its timing.

I would hope that the committee would see the justification and the feasibility of adopting the amendment, and recommending it. Failing that, I have every confidence that the committee, as each of you has indicated, will give the very highest priority to responding to the precise area and region that we feel so fully merits that kind of attention.

I suppose that is the best answer.

Senator Boggs. I think that is well put, Senator.

I do want to compliment you, too, on what I consider a modest initial request, \$10 million.

I recall in my own State of Delaware some years ago, when I was privileged to be Governor, we got a 100 percent State appropriation of \$10 million for dirt roads and access roads, primarily in the two lower counties. We only have three counties. And really, that \$10 million, while it did a great deal, did not go far. We did many of our roads, but it took more than that, and they are still working on the program.

So I think, as a starter, this is a complement to a very modest request.

Just speaking personally, I hope it is possible, and I will do what I can as a member of the committee, to encourage the inclusion of your program to the Appalachia bill.

Senator HART. Thank you very much, Senator.

Senator RANDOLPH. Thank you, Senator Hart.

We are privileged today to have the Governor of the Commonwealth of Pennsylvania, the Honorable William Scranton, to testify in reference to S. 3.

Governor Scranton, we know of your efforts in this program. We know that you, with other Governors, have given most careful study to the needs of the Appalachian area, including your own State, and the members of the committee are delighted now to have you come to the stand.

Governor Scranton, I am very happy that you are here to give the committee the value of your counsel in reference to the pending legislation.



**STATEMENT OF HON. WILLIAM W. SCRANTON, GOVERNOR OF PENNSYLVANIA; ACCOMPANIED BY JOHN K. TABOR, SECRETARY OF COMMERCE, COMMONWEALTH OF PENNSYLVANIA, AND R. OTTO AMANN, ASSISTANT DIRECTOR, BUREAU OF COMMUNITY DEVELOPMENT, PENNSYLVANIA DEPARTMENT OF COMMERCE**

GOVERNOR SCRANTON. Mr. Chairman and distinguished members of the committee, I gratefully thank you for this opportunity to appear here today, and am very pleased with what is going on in the Senate of the United States about Appalachia.

I want to commend you and the members of your committee for the forthright and immediate action which you are taking again this year on what we consider to be possibly the most important single piece of legislation for the Commonwealth of Pennsylvania that will come before you in this session.

I had a very fine opportunity last year to appear before the House Public Works Committee, and submitted to them a very lengthy appraisal and analysis of the bill at that time, which they were kind enough to take almost word for word and include, with the support of the administration, in the bill which you, the Senators of the United States, passed.

May I say that I am here this morning to tell you that I am sure that the overwhelming majority of the people of Pennsylvania are very grateful to the U.S. Senate for the action it took last year, and look forward to the same kind of action which you are pushing so fast this year.

Accordingly, I will not take much of your time this morning, and will try to speed the bill along just as you are, sir. We will not go into any detail about it at all. It was all done last year in this lengthy analysis, and almost everything has been involved.

Since then there are, however, three things in this bill that I wanted to discuss briefly this morning. The first are two changes which we applaud heartily.

One is the expansion of the local access road section of the bill, so that there would be an Appalachian access highway system from 500 going up to a thousand miles, and these serve specifically for the recreational, residential, commercial, industrial, and other facilities. Needless to say, they would be very useful, I think, generally throughout Appalachia.

I believe all the Governors agree on this, and we in Pennsylvania support this change in the law, and want you to know it.

Secondly, the new section 303, which provides that all the applications for an Appalachian program or project shall be approved by the State member to the Appalachian Regional Commission before it may be approved by the Commission.

This we believe further clarifies the duty and responsibility of each State in selecting projects and programs. This, too, is in our opinion a very fine step forward and an indication of the unique State-Federal partnership approach in this bill which we heartily applaud and strongly support.

May I say to you that I think this is one of the real keynotes of the Appalachian program, in that it does create a very fine Federal-State

relationship, and one which I know that all our fellow Governors in the area agree with me is a very fine move indeed.

Last year when I testified before the House Public Works Committee I pointed out to them there were five scars in the coal mining areas with which you, Mr. Chairman, and Senator Cooper, of course are extremely familiar, and which have been both a partial cause and a perpetuation of the unemployment situation in the region.

They include the mine subsidence and surface caving, the underground mine fires, the ravages of abandoned strip mine operations, the culm piles, which are unsightly or if on fire are really the causes of serious air pollution hazards, and fifth, and extremely important, the water pollution from acid mine drainage.

Now, a full description of these, and actually words and pictures—pictures, incidentally, which I showed the President last year, and which he asked me to submit to the House at that time—are in the brochure which I believe has been submitted to each one of you. I am sure that is not necessary in your case, or certainly Senator Cooper's, because you likely live with this daily.

S. 3 contains authorization, as I know, and you do, for the sealing and filling of voids, for the extinguishing of underground mine fires, for the leveling of the nonburning culm piles, and I understand, too, that funds will be available through supplementary appropriations to existing programs to eliminate the burning culm piles wherever they are so burning, and to begin to solve the problems of acid mine drainage pollution, which is an enormous problem, as you and I know. These were all put in the bill last year.

You and I saw the President. He was kind enough to add them all, and forthrightly and wholeheartedly speak in support of these, and for this we are grateful.

It does not, however, include one of the items which we think is of enormous importance; that it, an adequate authorization for reclaiming strip mined areas for reforestation programs.

There is a tremendous need for such a program, and plenty of experience and knowledge to do the job now.

The bill provides \$1½ million for the Fish and Wildlife Service, and \$1½ million for the Forest Service for this. However, none of the latter is applied to the first year, and only \$250,000 of the former, Fish and Wildlife, activity is applied in the first year.

That item is to be used for a pilot study which, frankly, we believe in Pennsylvania is probably well warranted, because there has been comparatively little experience in reclamation of mine stripping areas for use for fish and wildlife activity.

But in the other phase of it, that for the Forest Service, and in forest activity, this has not only had a long experience, but a very vital one in your State, sir, and in Senator Cooper's, and in mine.

In Pennsylvania alone we are spending about \$1 million a year in the reclaiming of abandoned strip mine areas, and reclaiming them into almost contour, and reforesting them. Thus, we do not need experiments or studies or anything of the sort, because this has been going on both privately and with State funds literally for several years, more so now than ever, I am glad to say.

Consequently, I think this particular part of the bill should be beefed up and should particularly go into immediate activity.



I think all of us would agree that in any governmental project it is always the onus and burden of thousands of us who are in government to see to it that these turn out to be not only workable projects, but also graphically so to the people in the areas.

Nothing in this entire bill would be more graphic or more immediately projectable than this particular feature of it, because once people in the area can see actually the over burden going back into the open pits, and it being covered up, and it being reforested, this is something they can see for themselves right then and there.

It could start immediately, because we do not need studies, and have been doing it for some time, but we do need money, and nobody denies this.

In Pennsylvania alone it is estimated—and we have gone into this quite deeply—that to completely reclaim all of the strip mining areas in the State would necessitate between \$85 and \$100 million. We do, at the present time, about a million dollars a year, so you can see it would take us quite some time at this rate.

Likewise, there is a second problem, and that is the use of private lands to do this on. And that is not our immediate suggestion. Our suggestion I have taken to the Commerce Department and to the Interior Department and to the White House, all of whom, incidently, not only listened, but were strong in their support of same, with one reservation.

That reservation is in the White House, on budgeting, which they said they would get to. And as a result of this, we think it should be done in the national forests, as the bill indicates, and in State lands, and indeed on private lands where there is readily public access.

We have amendments which we have suggested, and which will be introduced in the Senate by both Democratic and Republican Senators, and likewise in the House by both Democratic and Republican Members.

I think this is a main point we would like to make to you. I think the work could be done immediately on strip reclamation projects, and such a program would do enormous mounts to rehabilitate our lands for tourism and going back to the natural beauty. It will do it now dramatically and visibly, without having to wait.

This is a major problem, as you know, the West Virginia and Kentucky, particularly, and also in other areas of Appalachia.

We could use millions of dollars in Pennsylvania. Our suggestion is we might be able to appropriate \$3 million for all of Appalachia, which we could easily use in that period of time. It will be used, because we know how to do it.

I urge you to make this particular phase of the program effective now. I think it would do more than any single thing in it, because it would be immediately seen and immediately done. It would indicate to the people of Appalachia that the program was working right away, and, secondly, would, I think, then create a great deal more genuine support for the program.

Once again I thank you very kindly for the opportunity of appearing before you.

I do not want to ignore the other features of the bill. I think it is well known how I feel about them.

You can be certain we are extremely grateful in Pennsylvania for the generous activity that you are giving to this in the Senate, sir, and I just wish the House had done the same thing last year on the final vote.

(Governor Scranton's prepared statement follows:)

PREPARED STATEMENT OF GOV. WILLIAM W. SCRANTON, COMMONWEALTH OF PENNSYLVANIA

Mr. Chairman, I thank you for this opportunity to appear here today.

You know that I supported the Appalachian bill which passed the Senate last year. The new bill, S. 3, is substantially the same as the original bill. I therefore support the new legislation also.

Today may I emphasize two changes which have been included in the new bill, and one that thus far has not been included, but should be.

First, the new bill expands the local access roads of the proposed Appalachian development highway system from 500 to 1,000 miles. These access roads will serve specific recreational, residential, commercial, industrial, and other facilities. In Pennsylvania, some roads would be constructed to provide access to State forests for harvesting timber. Such access roads, generally, will benefit Appalachia. I therefore support this change in the law.

Second, new section 303 provides that all applications for an Appalachian program or project shall be approved by the State member on the Appalachian Regional Commission before it may be approved by the commission.

This further clarifies the duty and responsibility of each State in selecting the projects and programs within its boundaries. It assures the unique State-Federal partnership approach which is proposed in this legislation, and which is essential for a successful operation of this program.

We strongly support this addition to the law also.

In my testimony before the House Committee on Public Works last year, five scars in the coal mining areas of Appalachia which cause and perpetuate unemployment and even danger to human health and safety were discussed.

These problems include:

- (1) Mine subsidence and surface caving.
- (2) Underground mine fires.
- (3) The ravages of abandoned strip mine operations.
- (4) Culm piles which are unsightly or, if on fire, cause a serious air pollution hazard.
- (5) Water pollution from acid mine drainage.

A full description, in words and pictures, of these problems is contained in a pamphlet which I have distributed to you today.

S. 3 contains authorizations for sealing and filling voids, for extinguishing underground mine fires, and for leveling nonburning culm piles. I understand that funds will be available through supplementary appropriations to existing programs for projects to eliminate burning culm piles and to begin to solve the problems of mine drainage pollution.

S. 3, however, does not include adequate authorization for reclaiming strip mined areas for reforestation purposes.

There is tremendous need for such a program and plenty of experience and knowledge to do the job, now. All we need is more money. This program can supply that.

The Appalachian program as now contemplated authorizes \$1.5 million to be used by the Fish and Wildlife Service over the years. Of this amount, \$250,000 is to be spent for a pilot study in the first year. That's fine.

Another \$1.5 million is authorized for the Forest Service for strip mine reclamation projects in national forests. None of that is to be used in the first year.

The Appalachian program should be expanded to make possible immediate strip mine reclamation projects for forestry purposes in national forests, on other publicly owned lands, and on lands with public access guaranteed. Such a program will do an enormous amount to rehabilitate our land for tourism and industry, thus providing jobs and beauty in place of unemployment and ugliness. And it will do it now—dramatically and visibly. If you wish to help solve a major problem of Kentucky, West Virginia, and Pennsylvania—I urge you to amend this bill to provide for strip mine reclamation for forestry projects.



Millions of dollars could be used in Pennsylvania alone during the first year for such a program. I am sure sizable amounts could be so employed in West Virginia, Kentucky, Ohio, and almost every Appalachian State.

I urge you to make this program effective now, this year, by authorizing more money for immediate use.

Senator RANDOLPH. Thank you, Governor Scranton.

I would wish at this time to have the record reflect the very helpful and vigorous support which was given to this legislation by two of its cosponsors, Senators Clark and Scott. I recall that during our debate in the Senate, Senator Scott took occasion to properly commend you, Governor Scranton, on your leadership in this program, and it is further evidenced today by not just your general comment, but by your very specific attention to one of these problems; namely, the reclaiming of the scarred lands of the Appalachian region by a program which could be placed in effect immediately.

The need for such effort certainly is imperative, and I am sure that the members of this committee will study very carefully the proposed amendments, and will also keep in mind the challenge which you have presented to the committee to move very promptly in this area of reclaiming of our lands.

Senator Scott has talked with me in recent days about the many needs of the areas to be covered in the Commonwealth of Pennsylvania, and I am very sure that you have done your preplanning in Pennsylvania.

Is that true?

Governor SCRANTON. It is, sir. We have actually had very strong activity in this particular field, too.

As you know, I served in the House of Representatives briefly, and I do know some of the trials and tribulations of getting bills through Congress. I want to state openly, and I have said this many times before, that in my short experience with legislation in the national Congress I have never known any in which the people were so genuinely interested as you are, and Senator Scott and Senator Cooper and others, and likewise many Members of the House, together with the key people in the administration, in the Interior, and in the Commerce Department, and at the White House, have been so interested in suggesting and have been so helpful in trying to get them so that we would be united in our support of this very important and immediate bill, I hope.

And I want to pay due honor and may I say very great gratitude to all of the people so involved, because I think it has been a very wonderful experience.

Senator RANDOLPH. Thank you, Governor Scranton.

I would like to note the presence today in the audience of former Representative James Van Zandt, of Pennsylvania. I know of his very real interest in moving this program forward.

Senator MUSKIE?

Senator MUSKIE. Thank you, Senator Randolph.

Governor, What is your view as to the reasons for giving this kind of special attention to all of one State and parts of several others, 11 in all?

Governor SCRANTON. Briefly, Senator, I suppose it goes back to basic theory as to how you answer the problem of unemployment.

My basic theory, which, incidentally, we have tried to put into practice in Pennsylvania, is in generally nationally good times that there is no common denominator to the unemployment problem across the Nation as a whole, other than the basic problems of education, and that kind of thing.

You have different problems in different areas which create the unemployment that is there, and each area, normally smaller areas than this, incidentally, should be studied closely to make sure what it is that will solve these problems, and then come up with solutions.

We have been doing that on what I call a pinpointing basis in the State of Pennsylvania. There are, however, in the area of Appalachia actual common denominators, which are prevalent throughout the area. The entire area lacks access, so to speak, from the standpoint of transportation and communication.

The highway problem in the mountainous areas of Appalachia is an acute one, and this has created very heavy pockets of unemployment in small villages, in small towns, that are very hard to get to, and very hard to get out of. There is very little transportation facility.

Consequently, for example, the highway program in this Appalachian program seems to me particularly well fitted to this particular problem, and a real solution.

Secondly, the area, too, has the common denominator of having been materially almost identical. It is all ridges and mountains and that kind of area. Therefore it is particularly attractive for tourism, and for that kind of promotion, and as a result, the beautification of the area, and making sure that it maintains itself as such, is extremely important.

Third, it has the common denominator which we have put into this bill, namely, the coal problems and vestiges of an abandoned mining area. This, too, is a very potent force in creating unemployment in the area.

Last, but by no means least, and I have not covered all the things, it also has the very basic common denominator of water resources which are acute in the area and strong, and if used could be very important, but if polluted, will not only cause further unemployment, but continue and perpetuate that which is already there.

In brief, what I am saying to you is that my personal opinion is that you solve unemployment in nationally generally good times by trying to solve a specific problem in a specific area normally smaller than this, but this particular area has these four common denominators, and we can apply direct solutions to them, and that is what we are trying to do.

Senator MUSKIE. I know Senator Hart in his testimony this morning set out the following criteria in his proposal for meeting the upper Great Lakes problem:

One:

We find that both have been bypassed by major transportation arteries and have been essentially isolated from the commerce and economic growth of other regions in these States.

This you have just touched upon. The second is:

Both Appalachia and the Upper Great Lakes have suffered substantial outmigration of population \* \* \*.



Third:

The overall educational attainment in the Upper Great Lakes counties is substantially below that of the Nation and adjoining parts of the three States.

Next, that—

Our economy was largely based on the exploitation of vast timber and high-grade iron ore resources.

Again, he points out the similarity of economic history.

Would you say, Governor, that any area which meets similar criteria ought to have similar treatment?

Governor SCRANTON. I would say this to you, that any area that has a consistent and a persistent under economy from the national level, and has a common denominator which creates this unemployment and causes it to be perpetuated, I think this would be a fair subject for investigation for this committee.

I do not want to comment, which is out of my privilege, perhaps, but I did listen to Senator Hart's testimony, and I am familiar with the Upper Peninsula and its problems, and I would say that this is a logical area for somewhat the same type of treatment.

Senator MUSKIE. I do not know this area in as detailed a way as you gentlemen who live in it, but would it be fair to say that there are pockets of prosperity in the area covered by this bill?

Governor SCRANTON. In comparison to the Nation as a whole, there are a few.

For example, Senator Randolph is much more familiar with this than I am, the city of Charleston is doing relatively well, although the State as a whole is considerably below the national average.

In Pennsylvania in the last couple of years we have been fortunate to build up some of these areas. For example, the city of Pittsburgh now, due a good deal to the comeback of the steel industry, is a good deal better off than it has been. Nevertheless, these have been areas of persistent economic problems over a long period of time.

Frankly, if you want to get an economic study out—and I am sure the committee has them—these go back to as early in some instances as 1927, and have been consistently so ever since, particularly in eastern Kentucky, in West Virginia, and in parts of Pennsylvania. And these common denominators have been there since that time.

Senator MUSKIE. How do you justify including these pockets of prosperity in this kind of a program?

Governor SCRANTON. I do not mean to indicate that they are, at least I hope they are not, temporary prosperous places, but, relatively speaking, these are few in population, not great in number.

Senator MUSKIE. Actually, these relatively mild areas can be very useful as catalytic agents. Is that not so?

Governor SCRANTON. They could be. You cannot very well take a geographic area of the United States and not find some place that is doing well, but generally speaking, this area is having great trouble.

Senator MUSKIE. I ask you these questions, Governor, because there are areas in my State afflicted with problems very like these which concern you gentlemen, and I think we both share the belief that there is a responsibility for Government to deal with such problems. I think it is useful for us as we consider your problem to lay down criteria in

these hearings which we can fall back upon as we press for assistance and help and programs to help our area. I appreciate your comments.

Governor SCRANTON. I think I recognize that, Senator, and I know the problems Maine has had with the change in the textile industry and so forth.

Senator MUSKIE. Thank you.

Senator RANDOLPH. Thank you, Senator.

I recall that Senator McNamara, chairman of the Public Works Committee, in his speech to the AFL-CIO Legislative Conference on January 12, discussed in similar terms the viewpoint which has been expressed here by Senator Muskie on these problems, and declared that we must move quickly with a coherent and effective approach to meet these problems. Senator McNamara appropriately referred to such a program as part 2 of the war on poverty.

Senator COOPER.

Senator COOPER. Mr. Chairman, I would like to say that we welcome Governor Scranton here today, and appreciate very much his forthright and valuable testimony.

I may say I have hailed you on other occasions, and I hail you here today.

Governor SCRANTON. Thank you, sir.

Senator COOPER. Senator Muskie raised a question which was raised in the debate last year, on the floor of the Senate, and which was discussed in the adverse views about this legislation both in the House and the Senate. The point of this question is that there are prosperous, or at least fairly prosperous, counties and communities also included in the Appalachian area.

After this legislation is passed, the Commission will be established, and it will be made up of the Governors or their delegates and representatives of the Federal Government. I ask you, as one who will be a member of that Commission, or who will delegate someone to be a member, is it correct that the Commission will take into account in its recommendations these variations in the Appalachian region between the poverty-stricken counties and the more prosperous counties?

Governor SCRANTON. Not only is that true, sir, but in the projects specifically outlined in the legislation and appendixes appended thereto there are plans, as you know, for the areas that are not prosperous.

For example, the setup that has come up with the work with the U.S. Bureau of Roads and with the State highway departments are almost all in the areas of particular need in the region; likewise with regard to the immediate projects in the coal mining area, projects that we have in mind; likewise with the water resources.

I must say in all honesty that, except indirectly, the aid in this particular program as so far outlined will not directly benefit Charleston and Pittsburgh, but they will certainly indirectly do so, because it will make the areas around them so much more viable.

Senator COOPER. This consideration has particular reference to the section of the bill which provides for road construction.

Governor SCRANTON. That is correct.

Senator COOPER. Of course, in the development of a road network in this area, I think it will be inevitable in some cases that a road will pass through more prosperous counties.



Governor SCRANTON. That is correct.

Senator COOPER. That would have to occur in order to make these presently inaccessible areas accessible to larger and more prosperous communities. This approach would also apply in that section which deals with the development of multicounty health facilities and hospitals.

Governor SCRANTON. The accentuation is all on the rural areas, and I think primarily should be.

Senator COOPER. The inclusion of a county which is more prosperous would of course give strength and help to the less prosperous counties.

Governor SCRANTON. Correct.

Senator COOPER. I would like to ask about your proposals on strip mining, because I may say that I think this section is in the bill largely because of your recommendation.

Governor SCRANTON. And the President's very firm approval, sir.

Senator COOPER. And also this committee's approval.

Has the State of Pennsylvania enacted legislation which prescribes standards for the operation of strip mines, and conditions for the reclamation of strip mine areas by private owners?

Governor SCRANTON. Yes, sir. We have what has been termed "model legislation" in this field, which was passed in 1963, with, incidentally, the overwhelming approval of most of the members of both parties of our legislature.

This is very strict regulatory action indeed. It demands the return of all present operating or future operating strip mine activities in the area to contour, and then this is presided over by a board of reclamation which sees to it, and has the enforcement.

We have also upped considerably the demands for money that must be placed in escrow for this purpose, before any activity begins.

We have had a great deal of interest in this very strict regulation, and program, from your State, sir, and from Senator Randolph's and some others, and literally from foreign nations, too. I think it is model legislation, and it is working very well.

Senator COOPER. Then your recommendation for authorization for strip mine reclamation, as I understand it, would deal with those areas which are beyond private help, such as abandoned strip mines and fires, and with public lands.

Governor SCRANTON. The specific amendment which I believe the Senators are introducing deals first of all with national lands, and secondly with State lands, and thirdly with areas that are on private land but have public access.

It is not including every piece of private land. Frankly, I think this would be difficult to do at first flush, until we can make sure that legally the others will work as they have in our State, where we have employed them.

Senator COOPER. I know when Governor Scranton was in the House he urged and supported the development of this bill, as well as many other bills which affect these depressed areas.

I am very glad that you have testified before us today.

Governor SCRANTON. Thank you, Senator.

Senator RANDOLPH. Thank you, Senator Cooper.

Senator Fong.

Senator FONG. Thank you, Senator Randolph.

Governor, I was sorry I was not here when you gave your testimony, but I will read your statement with interest. I know your testimony will help us in our deliberations.

May I ask you as to how many counties are in this depressed area, in your State of Pennsylvania?

Governor SCRANTON. Fifty-two of our 67, sir. They changed them recently.

Senator CLARK. Could I interject, Mr. Chairman, that is not necessarily, as I am sure the Governor will agree, an indication of much more than geography, because that includes some of the sparsely populated counties, and the great area where the very large population of the State lives is excluded from this.

If you think in terms of people instead of geography, it is not the major part of the State, but it is the major part of the State's problems.

I think the Governor has a map there, sir, which I think would be helpful to you.

Governor SCRANTON. It is all the part outlined in red. They have recently taken out these two, and this one.

Senator FONG. Fifty-two out of 67. And these are the smaller counties of Pennsylvania?

Governor SCRANTON. They are the smaller in population, generally speaking, yes, although Allegheny County is a large county in population, because that is where Pittsburgh is located.

Senator FONG. Would you say that about 80 percent of Pennsylvania is affected?

Governor SCRANTON. Of the population?

Senator FONG. No, geographically speaking.

Governor SCRANTON. Yes. Geographically, it is about 81 percent of this area, and by population it would be 52 percent of the population.

Senator CLARK. You see, Senator Fong, the non-Appalachian portion of Pennsylvania includes Reading, Bethlehem, Philadelphia, Lancaster, York, and many of our larger communities.

Senator FONG. And over half of the area?

Governor SCRANTON. Yes, sir; about 81 percent of the area, as indicated here.

Senator FONG. How long would you say that this condition has persisted in that area of Pennsylvania?

Governor SCRANTON. You have to break it up into bits. This area has had it about 30 years, this area about 25, this area down in here likewise about 25. The rest of it, I would think, with the exception of one or two counties, would be about 20 years.

Senator CLARK. I would agree with that.

Senator FONG. And would you tell us what is the unemployment rate in that area?

Governor SCRANTON. We do not have it for the total area. They are broken down more than that.

The unemployment in this area, for example, is about 9 or 10 percent at the present time. Likewise, over here it is about 8 percent at the present time.

It has averaged over the last 20 years about 12, 13, to 15, sir, and it has been as high as 33½ percent at one time in this county here.

Senator FONG. How does it compare with the more affluent counties?

Governor SCRANTON. It is, of course, much higher, and has been



consistently higher in unemployment, as I say, between 20, 25, and 30 years. It is, generally speaking, about double the unemployment rate in the rest of the State.

Senator CLARK. If I could interject, Senator Fong, Lancaster is our most prosperous county, and the unemployment rate has hovered between 3 and 5 percent, whereas, as the Governor has pointed out, in Fayette it has been 25 and 30 percent. It has been better at the present time.

I think, Governor, we have our fingers crossed.

Governor SCRANTON. Right. At the present time it is lower, but has been up to 15.

Senator CLARK. Also, you must remember there has been an enormous amount of migration, which cuts down the unemployment rate but not the economic situation.

Governor SCRANTON. The migration, for example, in these two counties is about 38 percent.

Senator CLARK. We have a very fine town of Uniontown, in Fayette, where for several years every graduate of high school has moved out of town because there are no jobs available.

Senator FONG. Could you tell us some of the programs that are now being carried on by the State, trying to improve conditions?

Governor SCRANTON. Yes, sir. First of all, with regard to specific items included here in the Appalachian bill, of course, we have a highway program going which is larger than it has ever been.

We also have a bigger effort to create employment in the area than has ever been the case. This has been consistently forward looking in Pennsylvania for several years, including the Pennsylvania Industrial Development Authority which was established 11 years ago, and this includes 100-percent financing of new industry in the area, for buildings, at least, and sites.

The result has been that we have gotten a very general improvement during these State activities that have followed several years, and in the last couple of years there has been I think a dynamic change.

But in all candor, we do not know whether this will be persistent with us, this wonderful change we have had recently. Certainly the ingredients that I outlined a few minutes ago to Senator Muskie still are there.

Senator FONG. And would you say that you are still in great need of roads in that area?

Governor SCRANTON. Yes, sir. There is no doubt about that.

I have covered this area, as I am sure all of you have, many times, and may I say to you that I do not think there is any single need greater, particularly in the mountainous areas, than the accessibility problem and the accentuation in the program is that. The highway problem is the greatest.

Senator FONG. Thank you.

Senator RANDOLPH. Senator Boggs.

Senator BOGGS. Thank you, Mr. Chairman.

Governor Scranton, I want to compliment you, and thank you also, along with other members of the committee, for appearing here today.

I might point out one of the advantages of being a junior member of the committee is that by the time they get to you, many of the questions you have had in mind to ask have been well asked, and I might say well answered.

Governor SCRANTON. I was very junior in the House, so I know what you mean.

Senator BOGGS. I do have a couple of points I would like to ask you to comment on:

One is in regard to the access roads. The figure apparently is moving up to about a thousand miles. Assuming the roads are complete, and I certainly recognize the need for roads in the whole area, the responsibility for keeping them up and maintaining them, where would that fall, with the counties, or State, or with the Federal Government?

Governor SCRANTON. No; it falls on the State, sir.

Pennsylvania, for example, has about 43,000 miles of State highways, the second highest in the Nation, next to North Carolina, and most of the roads that are envisaged at the present moment to be included in this program are already State roads.

Senator BOGGS. The other is looking at the future, more or less. This proposal, as you recall, visualizes in 5 years, say, or at some period, an effective—hoped for, anyway—effective compact between the States involved, for example. Would you care to comment as to the likelihood of this coming about?

Governor SCRANTON. May I say to you in the first instance that I think the cooperation among the Governors over a period of years in the preparation of this program, I guess is not unique, but it has certainly been a very fine one, and has worked extremely well. There has been very little friction among them, as to what should be done or should not be done.

I think this may be possible because we do have the common denominators, as I pointed out to you. And the possibility of working together on this has already been very clear. It has changed Governors from time to time, and it still maintains itself that way.

I am one, at least, who believes officially that this will go ahead really in a very fine way, and I think every other Governor—I do not want to speak for them—would agree.

Senator BOGGS. I would hope so. I would think it would be really the effective way for carrying on after this initial beginning, and help to get started. I would hope that, expressing a personal opinion, as the program developed the thought would be in mind.

Governor SCRANTON. Not only that, but I think that the unique situation in this particular program which appeals to me very much is that it does give tremendous responsibility to the State governments to make sure they come up with the type of program and project that will work.

Senator BOGGS. Just one other question. You have no reservations in your mind as a Governor that this is superimposing the national concept on our Federal-State concept?

Governor SCRANTON. May I say to you, sir, that from the beginning we have tried very hard in our efforts.

Incidentally, if you will let me digress, I have two of the State officials most interested in this with me today, the secretary of commerce, Mr. Tabor, and Mr. Amann in his department, who have worked very closely with the Federal Government, and may I say very amiably and in very good concert on this matter.

We have from the beginning tried to inject the responsibility of the States into this program. I pointed out in my testimony this morn-



ing, the change in the section we think is a tremendous improvement because it gives us that responsibility.

Senator Boggs. I agree.

Thank you, Governor.

Senator RANDOLPH. Governor Scranton, in response to the colloquy you have had with Senator Boggs, I think it is well to point out that this program is one of action, and the work of the Commission would come to an end in July 1971. We are not asking for a continuing body to unravel the new problems and new approaches over a period of years.

We know the needs are here. We know the programs are valid. We know that action is needed. I think that appeals to the Senate. It was discussed during the debate, and I think had a favorable response.

Governor SCRANTON. That is why we are particularly anxious to have the point I made this morning, because it is immediate action.

Senator RANDOLPH. At this time our colleague, Senator Clark, of Pennsylvania, would wish to make a statement.

#### STATEMENT OF HON. JOSEPH S. CLARK, A U.S. SENATOR FROM THE STATE OF PENNSYLVANIA

Senator CLARK. Thank you very much, Mr. Chairman. I appreciate your courtesy in permitting me to come before you this morning.

I would like to make two points, and then introduce for consideration of the committee an amendment which Senator Scott and I have agreed upon with Governor Scranton and Mr. Tabor, his secretary of commerce.

In the first place, I am impressed, as a cosponsor of this bill, with the bipartisan nature of this approach. I have no doubt it is true in the other States of Appalachia, but it is certainly true in Pennsylvania that regardless of our political affiliations we work together for this program which can be so helpful to our State.

I would like to commend the Governor for the leadership he has taken in this regard, and without appearing unduly egotistical, I think the two Senators from the State of Pennsylvania have contributed their share in the effort, as well.

Secondly, I would like to point out in the record, what the chairman already knows, the very close relation between the Appalachian programs and problems of manpower and employment which Senator Randolph and I are dealing with in other committees.

The study which your committee made last year, I think, emphasizes the particular need for a Federal effort in the Appalachian area, as well as in other parts of the country. Hopefully, this can become a precedent.

So there is a close tie between the Public Works Committee and the Committee on Labor and Public Welfare, so this can bring up the level of the standard of living and education, so they can reap the benefits of the Great Society. I think this is worth noting.

I would particularly like to stress and concur on the Governor's need to strengthen this bill to give us a little more authority in the area of strip mining. Senator Scott and I have been in close touch with Secretary Tabor, and through him with Governor Scranton.

On behalf of Senator Scott and myself, I would like to offer to the committee two amendments to the bill, one to section 205(a), and another to section 205(b), and then changes in the amount authorized in the bill by sections 205(d) and 401.

Unless we could get this strip mining rehabilitation program, and, almost equally important, the elimination of acid mine drainage from our coal mines cleared up in our State, there will be a broad area of Appalachia in Pennsylvania, and I suspect, Mr. Chairman, in West Virginia, too, where the people will not be able to reap the fruits of the increased economic development which the bill would otherwise make possible.

A few years ago the Forest Service estimated there were about a million acres of abandoned strip mining land in Pennsylvania alone. They lie unproductive and idle. They produce vast quantities of acid mine drainage pollution, which sterilizes 2,000 miles of waterway in my Commonwealth alone.

And this, I know, is of interest to Senator Muskie, who is working on a clear streams program, which I have been happy to support.

In fact, it is fair to say, is it not, Governor, that the acid mine drainage ruins the Susquehanna River in terms of fish, wildlife, and is a constant threat to the sanitary health of the whole community?

Governor SCRANTON. It certainly does not quite, yet, but it could, if we do not solve that problem.

Senator CLARK. Abandoned deep mines also produce this pernicious pollution, and in many areas mine subsidence and mine fires of deep mines undermine Appalachian communities, eating away their economic prospects for the future.

When I say "undermine," I mean it literally, because you have towns which are falling into abandoned coal mines as a result of the negligence of past generations.

And for this reason, on behalf of Senator Scott and myself, I would like to offer to the committee the amendments which I have mentioned.

I thank the chairman for his courtesy in permitting me to make this statement.

Senator RANDOLPH. Thank you, Senator Clark. Your prepared statement will appear at this point in the record.

(The statement is as follows:)

PREPARED STATEMENT OF HON. JOSEPH S. CLARK, A U.S. SENATOR FROM THE STATE  
OF PENNSYLVANIA

Mr. Chairman, S. 3, the Appalachian regional development bill, provides a superb vehicle for the States of Appalachia, with the Federal Government as a partner, to launch a concerted program for revitalizing the economy of the magnificent Appalachian region.

The bill puts first things first and attempts to solve some of the pressing resource and transportation problems holding the region back from developing its full potential.

But as a cosponsor of the bill and a longtime supporter of the legislation, I would like to suggest that the section addressed to the rehabilitation of strip-mined areas and the elimination of acid mine drainage pollution should be strengthened. Otherwise, there are broad areas of Appalachia that will be unable to reap the fruits of the increased economic development which this bill makes possible.

A few years ago, the U.S. Forest Service estimated that there were a million acres of abandoned strip mined land in Pennsylvania alone. These ravaged acres blight the environment of nearby communities. They lie unproductive and



idle. They produce vast quantities of acid mine drainage pollution which sterilizes 2,000 miles of waterway in my Commonwealth alone. Barren of aquatic life, these streams have been rendered practically useless as municipal and industrial water supplies.

Abandoned deep mines also produce this pernicious pollution. And in many areas mine subsidence and mine fires in deep mines undermine Appalachian communities, eating away at their economic prospects for the future.

For this reason, on behalf of Senator Scott and myself, I offer an amendment to section 205(b) of S. 3, which increases the funds allotted for the correction of these problems in the bill and increases the financial assistance to the States to fill abandoned coal mines, control acid mine drainage pollution and reclaim strip mines.

SUGGESTED AMENDMENTS TO S. 3, THE APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

1. Section 205(a) : Strike paragraph 1, lines 6 through 15, page 20. Add the following paragraph:

"make financial contributions to States in the region to seal and fill voids in abandoned coal mines, to control acid and other noxious drainage from abandoned mines or sections thereof, and to reclaim and rehabilitate existing strip and surface mine areas, in accordance with provisions of Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b) or to any provisions therein limiting assistance to anthracite coal formation, or for the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act."

2. Section 205(b) : After the word "thereof" on line 16, page 21, strike all through line 19. Add the following:

"Projects shall be approved for assistance under subsection (a) only where expected public benefits are found to justify estimated Federal and State costs; access to and use of restored lands by the public is provided where appropriate steps are taken, including in appropriate cases, requirement for contributions to the cost of the project, which are adequate in the judgment of the Secretary to assure that individual property owners or mine operators do not receive undue financial benefits from the project. In selecting projects for financial assistance, the Secretary shall give priority to those projects which are shown to be part of the development or implementation of a State program giving reasonable promise in the opinion of the Secretary, of obtaining a permanent solution of the problem dealt with."

3. Section 205(d) : Page 24, line 14, delete "\$21,500,000" and add "\$36,500,000".

4. Section 401: Page 37, line 2, delete "\$237,200,000" and add "\$252,200,000".

Senator RANDOLPH. Governor Scranton made reference to the amendments which you and Senator Scott offer to the committee, and we will give, of course, very careful consideration to these proposals.

You have mentioned the seriousness of this problem. I recall a recent article in the Washington Post which pointed out the very tragic situation, and it is that, in many areas, of the Appalachian region.

Senator COOPER. Governor, as you know, there are existing programs which directly affect the Appalachian area, as well as other areas in the United States; programs such as the Area Redevelopment Act, the Office of Economic Opportunity, and the manpower development and training program.

I think it is very important that this Commission, if it is established, develop procedures to assure that there will not be a duplication of activities or overlapping in any way, and make certain that all of these programs will be coordinated for the maximum development of this region.

I wonder if the Governors in their meetings thus far have given any thought to this necessary coordination of all of these programs.

Governor SCRANTON. Yes, they have, sir.

This partly I touched on in answer to Senator Boggs' question. Not only have they done that, but it was at their insistence, so to speak, that some of the things were changed in this bill, which you, the Senate, and the House, too, concurred in last year.

Frankly, I would state this to you. As you know, I am quite familiar with the Area Redevelopment Act and Economic Opportunity Act, and the others to which you refer, and I would say unequivocally that this is the most specific act of all of them. It outlines more clearly what can be done and what cannot be done, and why, better than any of them. This was done primarily because the gubernatorial group and people working with them in the administration wanted it this way, and thought it would pinpoint the problem.

Senator RANDOLPH. Thank you, Governor Scranton.

The committee would wish at this time to have Herbert S. Richey, the president of the Valley Camp Coal Co., make what comment he would believe to be appropriate, since we have been stressing this problem.

Governor SCRANTON. May I add just one thing, sir. I do want to say that I am very grateful for this hearing, and appreciate the time you have given us.

Senator RANDOLPH. Governor Breathitt will testify very shortly, and Governor Smith, and others, and I call attention to the rather full schedule of witnesses this morning.

Senator Muskie, do you wish to address a question to Governor Scranton before he leaves the witness table?

Senator MUSKIE. Mr. Chairman, in connection with Senator Clark's proposed amendment, I think maybe our witness now can enlighten us.

I am interested in having something in the record on technological developments that are involved in controlling acid mine drainage pollution. I would like something in the record on that problem, because of the general interest in water pollution and the impact of acid mine drainage.

Governor SCRANTON. In all frankness, sir, of all the things in what I call the mining area section of this bill, the acid mine drainage one is the one in which we have advanced less technologically than any of the others. Accordingly, the bill itself indicates that there will be primarily study and project operations here, which, frankly, I think are quite correct.

We would like to be further along than we are, but we just are not there yet. There have been a great many thoughts recently propounded in this field which have, may I say, great hope for the future, including even what you would think would be a far-out proposition of using the desalination operation that was studied at one time likewise for taking acid mine drainage and changing it into fine water again.

This and many other experiments are presently going on, but we have not yet come up with frankly an overall program that we can inject into this area and say we can solve acid mine drainage.

However, as Senator Clark pointed out to you, the very point that he is making in his amendment would help a great deal here, because it would close up those areas that are strip mined already to collect acid mine drainage and then pour them into our streams, sir.



Senator MUSKIE. I take it our next witness, too, could give us something on this point.

Thank you, Governor.

Senator RANDOLPH. I invite attention to the presence of Herbert S. Richey, the president of the Valley Camp Coal Co., in the committee hearing room. This company has very considerable operations in the State of West Virginia and some in other States as well.

Mr. Richey, I presume you have been here for the inaugural.

Mr. RICHEY. Absolutely.

Senator RANDOLPH. Mr. Richey, I believe you can contribute at this point to our discussion, and the committee will be glad to hear you at this time. You might give us an outline of your company operations and discuss other coal industry facts, if you will, please. We would appreciate it if you would address the problem of acid mine drainage.

#### STATEMENT OF HERBERT S. RICHEY, PRESIDENT, THE VALLEY CAMP COAL CO., CLEVELAND, OHIO

Mr. RICHEY. Our company basically is a coal mining and selling company. We have subsidiaries, stock companies, which help in the sales. Our company in 1964 produced 4½ million tons of coal. We employ slightly over 1,000 miners.

Most of our coal is produced in West Virginia. We have one mine in Pennsylvania. All of our mines are deep mines. We are not involved in stripping.

In addition to our mine operations, we have docks on the Great Lakes. We participate in the operation of a fleet of lake boats to transport our coal. We operate a short line railroad in West Virginia.

Perhaps you would have some questions that would bring out other points you would like to know about our company.

Senator RANDOLPH. Would you comment on the testimony of Governor Scranton as to the need for tackling this program of acid drainage?

Mr. RICHEY. There is no question that the problem exists, and it is a difficult one to solve. The coal industry has been working on it with, well, meager results. We have found that the best solution to it to date is to prevent the water from becoming acid in the first place, which means that, as water does come into the mines, it must be taken out immediately and, therefore, have less chance, less opportunity, to become acid contaminated.

I am not an expert on this problem. There are others in the industry much better qualified to answer these questions than I am.

Senator RANDOLPH. Senator Muskies, do you wish to discuss this subject with our cooperative witness?

Senator MUSKIE. What is the source of the water in the mines—just leakage of surface water?

Mr. RICHEY. Yes, basically.

Senator MUSKIE. This is not processing?

Mr. RICHEY. No, although there is water used in processing, but not in the mine. This has contributed to some pollution in that, as coal is washed, we separate the impurities from the pure coal. The water will become black, not necessarily impure.

The industry is doing a great job. Our company is a leader in this. After we clear the water, it is almost as clear as this drinking water at the witness table.

Senator MUSKIE. What is the source of the acid?

Mr. RICHEY. I believe basically inorganic matter, pyrites.

Senator MUSKIE. Does this continue when the mine is closed?

Mr. RICHEY. It might continue. There is no simple answer to this. Some mines continue to fill with water after they are abandoned. A mine can be a depository for acid water. On the other hand, some mines on the tops of mountains tend to drain all the time and never accumulate acid water.

Senator MUSKIE. What is the nature of drainage into the mines—underground or surface waters?

Mr. RICHEY. I would say both.

Senator MUSKIE. What is the magnitude of the problem in connection with the waters which are affected?

Mr. RICHEY. That is a difficult question for me to answer. I don't know the full effects of it. I have seen water come out of mines and cause a stream to be unattractive for a half mile or so and then, perhaps through action of oxygen, the streams improve in color and degree of purification.

Senator MUSKIE. What are some of the possible solutions? What has been tried and what is being considered?

Mr. RICHEY. The practical one is keeping water out of the mines where possible, and when it comes in, to get it out as quickly as possible.

Senator MUSKIE. Is it an expensive proposition?

Mr. RICHEY. It is part of the cost of mining, I think.

Senator MUSKIE. Why isn't it done more effectively?

Mr. RICHEY. I think in most active mines it probably is done effectively. The serious problem is in inactive mines. Acid drainage didn't come about from just mines. I believe that in the Pittsburgh area coal was first discovered in the late 1700's from the colored water, so this problem occurred long before mass production mining came to this country.

Senator MUSKIE. I think it would be useful, Mr. Chairman, if you could get a paper or report of some kind from the authorities on this.

Mr. RICHEY. I would think the National Coal Association would be helpful.

Senator RANDOLPH. Yes. They will cooperate in this regard. Such a report would be more definitive, but I thought that, with Mr. Richey representing a company employing 1,000 miners, he could be.

I am sure we all appreciate Mr. Richey's testimony and his frankness.

Mr. RICHEY. I would like to say our company is spending \$12 million developing a company just north of Wheeling, W. Va., that will employ 400 more people. The life of the mine is expected to be 30 years. The problem of this drainage comes up not only from the underground operation, but also because when coal is mined it is not mined as a pure material. A considerable amount of refuse or rock is mined with it, which must be sprayed for the reason that it is combustible. This material is stored in piles.

In our own case, we are going to great lengths to first of all drain all of the spring water in the area where we will store this refuse. Second, we will build sewers under the pile to permit any water in the



area to drain away from the piles so they will not stand on it and cause this acid water problem. In addition, we intend to plant very heavy grass cover and tree covers to absorb water and hold it in the soil rather than have it drain off down through and over the refuse piles, and I think in this way we will be able to control this drainage problem.

Senator RANDOLPH. This development within your company, the initiative shown and the considerable expense to which you are going, is not an isolated case. I believe the coal mining industry is alert to these problems. I commend your company and other units of the coal industry for progress and effort in this field of endeavor.

The story you tell us about the new company that will be opened to employ several hundred persons, with an investment of some \$12 million, gives us encouragement, and we thank you very much. We have been helped by your testimony.

Mr. RICHEY. Thank you, sir.

Senator RANDOLPH. I am going to ask Senator Cooper to present the next witness.

Will you do that, Senator Cooper?

Senator COOPER. Thank you, Senator Randolph.

I do not think the next witness, Governor Breathitt of Kentucky, needs any introduction to this committee.

Governor Breathitt and his administration have long shown their great interest and concern about this bill which we are considering. I hope that he will speak of some facts which I will mention briefly.

I would like to say that this Governor, a young Governor, a very progressive Governor, has not waited for this committee or the Congress to take action in the area of Kentucky which would be helped by this bill.

His administration, and the preceding one, built a toll road into this area, opening it up for the first time in a major way. It has also devoted a good deal of its revenue to building State roads in an effort to bring the road system into this area, expensive as is the cost of construction, so that this area could come into some balance with the rest of Kentucky.

I would like to say also that Kentucky, under his leadership, and that of his predecessor and preceding administrations, has devoted a great portion of its revenues to education, devoting a much larger percentage to education than have some of its neighbors who are richer.

The Governor is working to establish branches of the State university in eastern Kentucky in order to give young men and women there the opportunity for a college education.

His administration is devoting energy and revenues to reforestation, and it has strengthened the coal mine and strip mining legislation.

I just point out a few of these things to indicate that the State of Kentucky has not been unaware of these problems and has devoted a great deal of its own revenue and efforts toward improving the situation.

I would say also that in this administration agencies and personnel in Kentucky have assisted in the development of this bill, and I am happy to welcome him here, as I know all of the members of the committee are.

I am sure that he can give us very practical suggestions about the development of this bill and about its administration.

And may I say something else, Senator Randolph. I see in the room a number of officials of the State of Kentucky. If the Governor will do so, I would like very much for them to be identified, because I think their presence here is an indication of the interest of my State in this bill.

Governor, would you introduce the members of your administration who are here with you?

**STATEMENT OF HON. EDWARD T. BREATHITT, GOVERNOR OF THE COMMONWEALTH OF KENTUCKY; ACCOMPANIED BY KATHERINE PEDEN, COMMISSIONER, KENTUCKY DEPARTMENT OF COMMERCE**

Governor BREATHITT. Thank you very much.

I am delighted to have such a fine introduction from my good friend and the most distinguished senior Senator from Kentucky, John Sherman Cooper.

Mr. Chairman and other members of the committee, I would like to introduce Mr. John Whisman, who is an administrator of my area program office, which I established in the Governor's office for the purpose of establishing an administrative agency to administer this bill, in the event that it passes, and also the Economic Opportunity Act and other related programs.

We have our commissioner of commerce with us; I might say to the gentlemen on the committee, the most attractive commissioner of commerce in the country, the first woman to be appointed, Miss Katherine—I should say “Mrs.,” because that is one of the assignments I was to take care of as Governor—Peden. I might say she has just won a national award for the finest economic development program in the area.

We have other distinguished Kentuckians here in support of this bill. These are the two official representatives of the State Government.

Senator RANDOLPH. Governor Breathitt, as you begin, I wish to say that West Virginians know you very well. You have visited our State on many, many occasions, and we feel we are neighbors in a very real sense.

If you will proceed now with your testimony, it will be very helpful to the committee for consideration of this important bill.

Governor BREATHITT. Thank you very much, Senator Randolph.

It is a pleasure to once again have an opportunity to discuss the Appalachian Regional Development Act with Members of Congress. Last May I testified in behalf of a similar piece of legislation before the House Public Works Committee.

At that time I gave a rather detailed and comprehensive endorsement of the goals that were then incorporated in the bill. Today, I want to reaffirm my original testimony, and request that you give this legislation as speedy a passage as can be justified with searching deliberation and sound judgment.

In a region with as much need and deprivation as Appalachia, it is almost superfluous to say that this program is more necessary now than a year ago. Unfortunately, such is the situation.



This program will make possible an attack on some rather unusual problems which are peculiar to the Appalachian region, and which existing programs and local capacity have not been able to solve.

As he mentioned, we have spent over \$400 million of Kentucky money, without any Federal money, in developing a system of limited access, four-lane highways. A good portion of this in the first one, in this link of the East-West highway system, was to open up eastern Kentucky.

In addition, we are dealing with other areas that are dealt with in this bill, particularly with State resources, a small lakes program, together with the Corps of Engineers, and we are working closely with Senator Cooper and members of our delegation.

We are trying to solve this. We are developing a forestry program in addition to the federally supported program, and we have established forestry camps in our department of corrections, with additional camps to be developed over Kentucky.

We have built over 34 major, full-use vacation facilities and parks and lodges in Kentucky, and we are in process in building in addition with State resources. These parks we feel are a very outstanding asset to the area.

Senator Cooper mentioned the educational facilities which we are buildings in the Appalachian areas. We have now three community colleges which have been erected, and there will be a fourth one erected in the very near future.

We are working very closely with the communities in this area in every effort to improve their economy. We have found that this program will make possible an attack on the problems which the local communities are not able to do.

Among these problems is the absence of a modern transportation network. This problem can only be corrected with an imaginative, creative, developmental system of highways which will establish "new rivers of commerce" to tie the Appalachian region to the prosperous growing economy of the Nation.

This system of highways, I might point out, is not all new highways to be built. This bill provides for the completion of this system of highways. We have, as outlined already, constructed a good portion of this system in Kentucky with State resources or in our Federal aid program, and we intend to continue to the limit of our ability to do so.

Better use and control of water resources is another need which local people cannot meet alone. We have been unable in our small lakes program to meet all their needs, and particularly with the problem, as Governor Scranton outlined, of acid water in the strip mines and mining areas of Kentucky, as is true in Senator Randolph's State, it is true in Senator Cooper's and Senator Clark's States.

So is a means of upgrading timber resources. The chronic shortage of basic economic items, such as water systems, sewer systems, and improved industrial sites, is a deterrent to growth in the Appalachian area.

The lack of these facilities is a deterrent to growth in this Appalachian area, to add to the economy, which is principally now based on the coal industry.

We found this to be true, and Miss Peden, of Commerce, has indicated this to me, and her appearance here today indicates her strong support.

The legislation we discuss today clearly indicates an understanding of these and other problems of Appalachia, and sets a clear course for meeting these impediments to economic growth in the region.

There is no need for me to dwell on the act's solutions and proposals here, since the specific requests made in this legislation were endorsed in my previous appearance before the House Public Works Committee.

It is more important for me today to talk about the feature of this bill which inherently is the key to the success of the program.

The act provides a device for closely coordinating State, Federal, and local efforts to focus on and solve the problems of the region. It is the establishment of the Appalachian Regional Commission, which will be a new approach, not only in terms of Federal-States relationships, but also in terms of the tasks which this legislation assigns to the Commission.

Certainly Kentucky has not participated in this kind of governmental approach to problems, and I believe this will be a new experience for the Federal Government as well.

Unusual demands will be made not only of Kentucky and the remaining 10 States, but also of the Federal Government. A true sense of cooperation and mutual understanding between and among the members of the commission must prevail if this program is to succeed. I am concerned that we begin now to do the very best job we possibly can to set the precedents which will insure the success of the Appalachian program if it becomes law.

While it is necessary that the Commission occupy itself with utilizing comprehensive, integrated programs which in concert will develop the region, the State of Kentucky must just as surely concern itself with the same comprehensive, integrated programing, not only for that portion of Kentucky which is included in the Appalachian region, but also for the rest of the State.

This is true because the impact of the Appalachian program will be great in all areas of Kentucky, and we must be doubly concerned that we establish from the very beginning the understanding and organizational structure needed to insure its best use.

You are familiar with them, and we have outlined those previously in our appearance before the House Public Works Committee, but there is one point I would like to mention today, and with relation to the concern which has been made about what is the effect on the total problem, the problems of Appalachia are a burden on the entire State, and as we feel, it is a burden on the entire Nation.

We want this area to become self-sufficient and make its contribution to the economy of the Nation, and to solve the problems which the distinguished Senators in this committee are concerned about in their areas, and in the entire Nation.

I can tell you today that we in Kentucky understand this new Appalachian approach to regional economic and social problems, and that we are organized and prepared to use this bill. We have the machinery and the beginnings of a staff in my office ready to go to work, if this legislation becomes law.



Kentucky has made a maximum effort at the State level to meet the needs of Appalachia, and this effort is not going to be diminished.

And we are certain, and I assure you and give you my word as Governor, I will not diminish my efforts on the passage of this bill and the help it will be. It will be a further incentive for us in Kentucky to add to the programs which will be made here, so that we can have a maximum effect.

And this will no longer be a problem area, but an area which can contribute to a major degree to the economy of the entire country.

Great attention is going to be devoted to the search for the best use of the limited resources at State and local levels, and the growing arsenal of Federal resources, to achieve the maximum economic growth and human development gains possible.

We anticipate that the Economic Opportunity Act with its emphasis on the maximization of opportunity for those whose development has been stymied by a lack of economic development will become a part of our total programing.

The Economic Opportunity Act and the bill which we consider today together will provide Kentucky, for the first time in our history, with the necessary tools to begin a human and economic development program process which will be self-sustaining in a short period of time.

I am not unaware that the Appalachian program has important implications that go beyond the 11 States. In my view, the departure into this new land of Federal-States cooperation as called for in this bill is a true demonstration of the dynamic federalism which President Lyndon Johnson has predicated as the basis for a society in which the benefits of that society accrue to all people.

Others in this country who have problem areas similar to ours will no doubt draw upon the Appalachian experience. For our part, in Kentucky, we are happy and pleased to continue in the 20th century a tradition of trailblazing which we set in the very early days, when the first pioneers moved across the Appalachians to the West.

We have played a continuing role with the other 10 States and the agencies of the Federal Government in trying to illiminate the problems of the Appalachian region, and possible solutions.

While it might appear that this legislation is special action to favor some at the expense of the majority, I think the Appalachian approach to regional problems will pay dividends to other parts of these United States.

Perhaps most importantly, this program will remove a chronic deficit area from the Nation's ledger sheet, and replace it with a growing, viable economy which will advance the greater good and economic well-being of all the people of this country.

If used in a coordinated manner, this program will draw the Appalachian region into the mainstream of the American economy, where each community and each region must find itself if it is to enjoy the fruits of this country's free enterprise system.

The total outlay requested in this bill is small, in my opinion, compared to the possible gains to be realized.

I respectfully ask you to act on this legislation as quickly as possible.

A start is underway in my office, the staff, which is properly staffed and equipped and budgeted to handle the administration of this act

immediately upon the passage of this legislation. We have established area groups throughout Kentucky, made up of all the people concerned with the problems in the area, and the leadership of the communities which have formed themselves into councils and have now for a number of years, starting with the Eastern Kentucky Regional Development Group, which is now organized throughout Kentucky, but it is particularly zeroed in on the problems of this area, prepared on the basis of careful and long study to give the leadership and to implement this act at the local level and at the State level.

And with this coordinated approach toward solving this problem, I feel that we will have significant success with it in Kentucky, and it can make a major contribution toward solving these problems in the region and in the country.

Thank you, gentlemen.

Senator RANDOLPH. Thank you very much, Governor Breathitt.

I would like the privilege to be given to Senator Cooper to question at this time, if he desires, or comment on the testimony.

Senator Cooper.

Senator COOPER. I commented when I had the opportunity to introduce Governor Breathitt, but I will go into some questions on the proposals before us.

We do want to emphasize again that the State of Kentucky has made a tremendous effort, using its own resources and program, to help solve problems in this part of our State.

Questions have been raised, and I think properly so, that this bill could represent a preferential treatment toward one area of our country. I have argued that it is not only in our particular interest, but also in the national interest, that this area be developed.

Also, it may be said that other areas of the State will consider this assistance to be preferential treatment for a particular area of the State. I think the Governor would agree that, because of the inaccessibility of this area, other days when road revenue was very limited and when the State had to treat alike all sections of the State, the road development could not go forward very quickly in this area because of the cost of construction.

Is it your view that if this bill is enacted, as I am sure it will be, and the road program is carried forward and this network is developed, that the road program in Kentucky and these States will go forward more evenly?

Governor BREATHITT. I agree, Senator. In fact, we feel so strongly on this matter that we have already set aside out of our road fund sufficient money to meet the program upon its passage immediately.

We have already prepared preliminary plans, and actually we have had final plans, subject to the approval of the commission in the overall program, so that we can implement this immediately.

It is a great problem, because as Senator Randolph knows, the access of highways between our two States is very limited, and because of this, the development of the economy of the two areas is hindered. This will make it possible.

And we have worked, of course, very closely with our congressional delegation on our road program. We are very hopeful that upon its passage that within a very short time we can make a significant improvement.



I might say that both parties in Kentucky, and all of the groups in leadership in Kentucky, strongly support this bill.

We have only 49 counties of our 129 counties that are located in this particular area, and yet there has been demonstrated as much support for this bill in the other counties in Kentucky, even in my area of the State, which is far western Kentucky, as there is in the area that would be encompassed in the coverage of this particular act.

We will push ahead with it from our standpoint as the Senator knows from my discussions with him previously.

Senator COOPER. As Senator Randolph knows, the Appalachian barrier, which in olden days prevented migration to the West, is still a formidable barrier because there are few gaps which permit passage between Kentucky and West Virginia and Virginia and Tennessee, particularly from those eastern States where there are great north and south channels of commerce.

I think it is intended under this bill that the road systems of Kentucky, Ohio, West Virginia, Virginia and Tennessee be connected.

Is that not correct?

Governor BREATHITT. Yes, sir; that is correct, Senator. It is a regional network of highways utilizing the existing highways that have been built in our Federal aid program and those that we have built under our turnpike program by our own resources by the sale of bonds with no Federal aid.

Senator RANDOLPH. Thank you, Senator Cooper.

Senator MUSKIE.

Senator MUSKIE. Governor, I know that one of the counties covered is Breathitt County.

Governor BREATHITT. There was an old Governor of Kentucky, the first Democratic Governor, by the way, for whom this county is named. It is located in the very heart of this area. I do not happen to be from Breathitt County, although during the campaign I claimed right close kinship.

Senator COOPER. Senator Muskie, may I say that Breathitt County is named for his distinguished forebear, the Governor of Kentucky, and although it is in eastern Kentucky, unfortunately it returns the largest Democratic majority in the State. I might say also that the Governor has had some very distinguished Republican forebears who have served as officials of our State.

Senator MUSKIE. Governor, what is the economic past of this region? Is it an underdeveloped one, or is it one that technological change has passed by, or what is responsible for its present economic problem?

Governor BREATHITT. Senator, the area was developed principally in the early days by the timber industry, utilizing the streams which flow through this area, the river as an avenue of commerce to float the logs down to market, down the Kentucky River, the Cumberland River, and the Big Sandy.

After the development of the area through this, with the building of railroads in the area, we developed the coal industry, and this is the principal industry in the area.

And as is true in so many of the Appalachian areas, with the automation of coal areas, the change in technology, the fact that our people in the area have not been trained properly to do other things, and there is not opportunity within the area, it is important that we

provide the opportunity, and not that we just take the approach of artificially maintaining these very fine people.

I might point out a point that sometimes is not made. These people want to work. They want opportunity.

In our jobless parent program we have had only a 2-percent work stoppage among these people. Only about 2 percent of them do not work when given the opportunity. People will give up food stamps and relief programs just to have the opportunity to work.

Senator MUSKIE. Is it still a forested area?

Governor BREATHITT. Yes; it is a forested area, and we are developing our forestry industry. In fact, in Breathitt County we have established a wood use and utilization area at Quicksand under the joint Federal-State help in the development of this area, and under the administration of the University of Kentucky.

We are having a new wood processing plant that is being developed with private capital, and with the assistance of Federal-State Government in Johnson County, adjacent to Martin County, which the President visited last year.

We are working toward the development of the wood use and utilization industry in eastern Kentucky. We feel this is important, as 45 percent of this land area is suited for forestry and agricultural purposes.

Senator MUSKIE. Is that the percentage of land that is forested in this area?

Governor BREATHITT. Yes. A lot of it is not marketable in this yet, Senator, because we failed for many, many years to adopt proper forestry methods and management of our lands. I will say that is not true now. We have a very fine forestry program.

But this bill adds greatly to our ability in these areas to develop our forestry. And, of course, this is one of the most important areas to us.

Senator MUSKIE. The forest based industry is not significant in this area now?

Governor BREATHITT. Well, it is significant in the total Appalachian area, certainly in North Carolina.

Senator MUSKIE. I was thinking specifically of this one.

Governor BREATHITT. In eastern Kentucky it is not a significant factor, although it is a growing factor.

Senator MUSKIE. In the past was it largely lumbering?

Governor BREATHITT. It was all lumbering in the past.

Senator MUSKIE. Do you have the paper industry now?

Governor BREATHITT. No. This plant being developed now in Johnson and Martin Counties is a processing industry using low-grade lumber.

Senator MUSKIE. What are the other sources of employment now? You mentioned coal, and that is dropping off, I take it.

Governor BREATHITT. Of course, in eastern Kentucky the Ohio River near Huntington and Asheville and down the Big Sandy Valley we have adequate waterpower, and a fine and available labor source, and there we are developing industry, but our problem is in the areas of central-eastern Kentucky and southeast Kentucky, where we previously had no good system of highways.

This will be solved by this bill through our joint Federal efforts and the cooperation of the adjacent States, because it is a regional



highway program. This will help greatly, with the development of the industrial sites.

There are good water supplies in this area, with which you are vitally concerned, and with which I am vitally concerned.

I might say Kentucky, as indicated in Pennsylvania in Governor Scranton's testimony, in our 1962 legislature passed a strengthened strip mining and reclamation law. We are right now reviewing our experience under this law to determine if we need to make additional amendments to our law in the 1966 session of the legislature.

We are developing industry in the area. Senator Cooper's home community is a very fortunate county in this.

Senator MUSKIE. You do not have a Cooper County in here?

Governor BREATHITT. No, but we found on election day there are a lot of Cooper counties, sir.

Senator MUSKIE. Thank you, Governor, very much.

Senator BOGGS. Thank you, Mr. Chairman.

Senator RANDOLPH. Senator Boggs?

Senator BOGGS. Thank you, Senator.

Governor, I want to join the committee in thanking you for appearing here, and for your fine testimony.

I was especially impressed by what you had to say, and said so well, about the passage of the Appalachia bill, that it would not in any way cause the States to lower their own efforts, but rather increase their efforts. It was one of the questions in my mind. I had some doubts about it, and I was glad to hear you speak out vigorously as you did on that.

And if it will accomplish that, help the States to increase their efforts, I think the overall result will certainly be wonderful.

The other thing you mentioned just now in answer to questions from Senator Muskie I think about increasing the opportunity for employment, employment opportunity, and you got into the timber industry. What other opportunities did you have in mind, particularly?

Governor BREATHITT. We are making a great effort in eastern Kentucky to develop our tourist industry. We have built a series of major vacation parks, lodges, fine dining facilities, on our Corps of Engineer lakes and our small lakes that we are developing, and then in the areas such as Natural Bridge, Ky.

These are as fine vacation facilities as you can find anywhere in the Nation, and we are operating them at a cost range that can attract vacationers from all over the country.

Kentucky is located in a 500-mile radius, within 1 driving day's distance, of 65 percent of the population of the United States. Because of this location, we are in eastern Kentucky pushing this. We have some year-round facilities now. We feel that this stimulates the area.

We of course are trying to attract industry to diversify the economy of the area. Then we are working to establish what portion of our agriculture economy can be established in the area, although this is somewhat limited. But we are working in this particular area.

Senator BOGGS. I want to get back to my roads question, you probably heard me ask Governor Scranton. With these access roads built, however, many miles may be in your area, will that be a State responsibility, or a county responsibility to keep them up?

Governor BREATHITT. It will be a State responsibility in Kentucky. Counties only have a responsibility on rural roads in Kentucky, and they are not encompassed in this particular program.

Our rural secondary program, which is the major rural highway system in Kentucky—that is not on our State or Federal aid or interstate or turnpike systems also financed by the State.

But all the roads that would be encompassed in this program in Kentucky would be the responsibility of the State of Kentucky.

Senator BOGGS. I am glad to have your testimony on that. I had doubts about it, because I visualized these access roads, many of them, as being really not hard surface roads, but simply dirt roads moving into isolated areas, and I did not realize that they were to be on a State system.

Senator RANDOLPH. Senator Boggs, I might just at that point say I am sure you mean the gravel roads as envisaged in the bill.

Senator BOGGS. That is right.

Governor BREATHITT. These particular access roads would be maintained under our rural secondary program. In this particular program that, together with the arterial highways that are the regional network highways encompassed in the bill, will actually open this area up and open up commerce between West Virginia and Kentucky and between Virginia and Kentucky.

Senator BOGGS. Thank you very much, Governor.

Senator RANDOLPH. Governor Breathitt, we are appreciative of your presence, and your expert and very helpful testimony.

You will recall yesterday the President of the United States in the inaugural address mentioned "ridges." Perhaps people missed that as they listened. We do have these narrow valleys and ridges. Here live a people whose aptitudes we know are good, and whose attitudes, more importantly, are just right for this type of program. We hope it will move forward very quickly.

Thank you very, very much.

Governor BREATHITT. Thank you, Senator, and I want to thank the members of this committee for their courtesies in tendering this opportunity to me on behalf of all the people of Kentucky, and this region.

I want to particularly pay a tribute to you for your efforts, which I think are making a better bill of this Appalachian bill, which is so important to our area of the country.

Senator RANDOLPH. Thank you very much, Governor.

We are privileged now to have the very distinguished Governor of Georgia, Carl Sanders.

I might say he is the chairman of the Appalachian Governors' Commission.

We are very happy to have sitting with the committee Representative Mathias of Maryland, part of whose district is encompassed by this legislation. Senator Brewster will be heard from very briefly. Representative Hechler of West Virginia, who was here on Tuesday, has returned again today. We appreciate his interest in the area of West Virginia for which he has a very particular commitment. Representative Kee, also of West Virginia, is present and we would like the assistance of these fine people. We know we shall have it in the passage of this bill in the House of Representatives, which we hope will be in a very short time.



Governor Sanders, it was my good fortune to hear your welcome to Georgia, particularly to the city of Atlanta, within recent weeks, at the 50th anniversary convention of the American Association of State Highway Officials in your progressive city of Atlanta. I was very gratified to know of your grasp of the problems of highway construction not only in your own State, but in the Appalachian region.

If you will proceed, we will be very happy to hear you.

### STATEMENT OF HON. CARL E. SANDERS, GOVERNOR OF THE STATE OF GEORGIA

Governor SANDERS. Mr. Chairman and members of the Committee on Public Works, I would like to make a brief statement, if I might, and then I will be glad to elaborate on the points that I raise in the State.

It is my duty, my privilege, and my pleasure as chairman of the Conference of Appalachian Governors to appear before this committee to endorse the Appalachian Regional Development Act of 1965 and to urge your favorable consideration.

In a sense, we are meeting here to reaffirm last September's decision when the Senate passed the Appalachian development bill by better than a 3-to-1 margin. The House did not take action. The problem remains.

Senator RANDOLPH. At that point, Governor, might I indicate that Senators Russell and Talmadge gave their support on rollcall to this measure.

Governor SANDERS. Thank you, sir. I would like to have that in the record, too, if I might.

This bill is well designed to meet the needs of the region and to strike at the roots of poverty in Appalachia. I agree completely with the majority report of your committee last year that this program will "in the long run eliminate much of the need for public assistance payments by the development of the region's natural and human resources."

I would like to point out to the committee that there has been little change in Appalachia since the original information, based on the 1960 census, was collected. The people of that region are still bound in an isolated and stagnant economy.

In Georgia, our 35 Appalachian counties have substantial and persistent unemployment ranging from a high of 12.3 percent to a low of 5.1 percent, with an average of over 7 percent.

There is a great need for better access to Appalachia. Major highways and connector roads are needed to improve accessibility for the tourist trade as well as to aid the landowners in marketing the abundant timber resources. For example, only 50 percent of Georgia timber is now being marketed. Better management of the timberlands and improved access will increase the available timber by another 30 percent. Such an improvement would enable the people of Georgia and the other Appalachian States to take advantage of the growing markets for wood products.

We in Georgia have in preparation for early consideration a timber sources survey in which we propose to diagnose the problems of the area before treatment is prescribed. We must not ignore the attitudes

of the present landowners, for access to the timber depends upon their attitude as much as upon access roads.

I would not support any measure which would override the wishes of the landowners and the present market operators in the area, but I am firmly convinced that through this bill under consideration we can create conditions which will stimulate the expansion of the currently profitable timber operations in the Appalachian region of Georgia.

The entire Appalachian area needs improved health facilities to make the area more inviting for workers and investors. We need mineral resource studies to locate deposits for exploitation. We need to improve open land for grazing and for protection of its productive capabilities.

Many areas of the Nation are in critical need of wholesome water. We now have water in abundance in the Appalachian region, but we must take steps now to protect the quality of that water.

Appalachia needs improved vocational education facilities to help its residents—current and future—to increase their productivity.

We in Georgia pledge to continue our present efforts in the Appalachian area, and we will expand our assistance as the opportunities arise. State initiative was behind this program now under consideration, and through it I believe that the States want to be true partners in the growth of the region.

I am sure that the other Governors of the Appalachian States share my conviction that this program will become the Nation's outstanding example of local-State-Federal cooperation.

I am concerned that the bill under consideration does not make provision for a full-time State representative, as recommended by the Systems Development Corp. and the Conference of Appalachian Governors' staff. A true partnership is lacking when two full-time highly capable Federal executives are assigned to work with 11 part-time State representatives led by an also part-time State cochairman.

In Georgia we have found a network of area planning and development commissions to be remarkably effective. These multicounty organizations allow local communities to join together in economic surveys and to initiate their own plans for economic development, and they also initiate their own plans for a development. The State matches funds and provides assistance in planning.

I might point out we have to have a minimum of five counties. They have to have a full-time executive director. This money that is raised for planning is on a match basis of 50-percent State funds, 50-percent local funds. We in Georgia have pioneered in this program and in Georgia we have had this program for almost 6 years.

Georgia has concentrated its efforts in the Appalachian counties. Almost 65 percent of the \$390,000 that Georgia has put into our 16 development commissions since 1961 has gone to the 3 commissions in our Appalachian area. Our budget for the next biennium allocates almost \$1 million for those area development organizations. We are making, and will continue to make, strong efforts to help ourselves, but the regional problem cannot be solved until a regionwide attack is carried out.

I am convinced that our Georgia program is now one of the finest examples in the country of State and local cooperation for economic



development. With the passage of the Economic Opportunity Act of 1965, these area commissions broadened their perspective and have been invaluable in setting up programs under that act. They will be of similar assistance in carrying out the programs of the Appalachian Regional Development Act of 1965.

I urge the committee to take care that the "human resources development" program now underway under the Economic Opportunity Act be closely coordinated with the Appalachian program, for human resources development is an essential part of regional development.

Our Appalachian area, which is filled with natural resources, cannot benefit our Nation and mankind until we have trained men who can dedicate themselves with skill and enthusiasm to the development of those resources.

The wealth of our Nation is based on the increased productivity of the individual. The nonproductive are a drain on the economy—a drain which this bill is designed to eliminate.

The Appalachian program and the Economic Opportunity Act of 1964 are pioneer efforts in expanding the wealth of the Nation. The entire Nation not only will benefit from the increased productivity of the Appalachian region, but also the findings of the combined programs will show us sound approaches to the further development of other regions of the country.

The Appalachian and Economic Opportunity programs are wise investments, not wealth-consuming expenditures. They are business-like approaches which will bring rich returns to both the present and future inhabitants of Appalachia and of the United States as a whole. I urge that this committee and the Congress complete the action begun last year and pass the Appalachian Regional Development Act of 1965.

The people of Appalachia are waiting, not in idleness, but with the confidence that their current efforts will be reinforced by the determination of the whole Nation.

The days of our reform have not passed and surely our affluent America can afford to eliminate the scourge of poverty from those citizens too long neglected, too long forgotten in the mountains of Appalachia.

Thank you, Mr. Chairman. Those are my remarks as far as this part of the presentation is concerned.

Senator RANDOLPH. Thank you, Governor Sanders. You have called our attention to the need for a representative of all the States on the proposed commission. It has been our thinking that there is the authority within the States to select such a person or persons, and this individual would come from among your own representatives, as it were, and would be paid by the States at a level they would establish.

Now, is it your feeling that we must provide in the bill not only authority, but language that would make this office, as you say, full time rather than part time?

Governor SANDERS. Mr. Chairman, I believe, and I think I speak for the States that are in this particular region, that we certainly have no reason not to expect to pay for a State representative on the State level to coordinate and to implement this program, but we feel that where you have Federal executives assigned to the program then certainly these men are going to be full time, capable, qualified people to do a job.

We think that there should be written into the bill provisions that would require on a State level full-time representatives so that we will have a true partnership in this particular program between the Federal, State, and local communities, and we won't have in some States perhaps part-time individuals who are trying to do a full-time job.

I know now that the bill does not spell out in any detail the mandatory provisions of this kind, but it has been our experience, as I pointed out to you in my testimony with reference to our local area of planning commissions, that the finest thing that we did on a State level was require the counties to employ a full-time executive director as a prerequisite to any matching or any participation of State funds. We have 16 of them now in Georgia.

Of course, as I said, we put most of the money into these planning commissions in the Appalachian region of our State, but they have proven to be invaluable. They have proven to be the difference between a community actually falling behind or being able to keep abreast of the times.

Senator RANDOLPH. Thank you, Governor.

Senator MUSKIE?

Senator MUSKIE. Governor, what is the economic past of your area? Is it coal mining?

Governor SANDERS. No, sir. The past of our Appalachian region primarily is not coal mining. This region of Georgia is primarily a mountainous region in which the people have had very little opportunity to develop any particular trade or any particular occupation, Senator. Most of them have actually made their living from some type of farming.

Actually, there has been very little industrial opportunity of any kind in the area. Some of them have actually made their living from such things as the tourist trade that might come through the area to see the beautiful mountains. There are other people in Georgia that will tell you that some have made a right fair living off of taking some of the corn crops and turning it into other items that they sell in the mountains, but this has been somewhat in the past in this area.

Senator MUSKIE. So it has always been an undeveloped area?

Governor SANDERS. It has always been a relatively undeveloped area because of the accessibility to it. We have done a great deal in recent years in providing some roads and opening up the area. We have made a tremendous effort in Georgia to stimulate and improve our tourist industry and we have been able in recent years to bring many new people into this area so that these people would have a greater opportunity for some economic livelihood.

I might point out that we do have a project in this area where we are trying to develop in our university a tourist recreation center in which we would take the people as they now live in the area and teach them to utilize their own natural trades and skills and to develop the things that they can do through this type of life that they have lived for so many years and be able to market these things in a very fine economic way. This has been a very fine project.

We have not at this point been able to completely finance it, but Dr. Hugh Masters, who came to us from the Kellogg Foundation, and who developed the adult education continuing program in



Georgia, is a man who has been spearheading this particular project. We are hopeful that this will bear fruit in the near future.

Senator MUSKIE. Do you see prospects for industrial growth?

Governor SANDERS. Yes; I do. I see prospects for industrial growth if this bill is passed. These people in Georgia in the 35 counties of our State, or close to 700,000 people, these people are wonderful people. In fact, so far as their willingness to work and their willingness to do a job, I think perhaps they represent the finest of their kind in our State, but they have not had the opportunity.

I think that with the access roads, with some help in the forest resources that we have in that area, that we will be able to take a group of people in my State that have wanted for years and years to do the things that other people have an opportunity to do, but who have never had that opportunity.

I think this really would be just like opening a door for them and giving them a chance to actually come out of the darkness into the light and compete with other people of our Nation and the other people of our State.

Senator MUSKIE. What kinds of industries do you see as possibilities?

Governor SANDERS. Well, I think a lot of industries. I think industries that would, for instance, develop wood products. We have an abundance of timber in that area. I think there are many industries. In fact, I talked with a friend of mine a couple of weeks ago who said if this bill were passed he very seriously would consider going in with the legislation that would be made available, building a plant and perhaps manufacturing these wooden pads that you ship almost everything in the country on today, or some type of a wooden pad. He said this was a fine industrial opportunity that he felt the people in this area could step into immediately and develop phenomenal skill and proceed to provide some industrial opportunities and jobs.

I think in this, Georgia would have a great opportunity to go in with our wood products and develop this particular area of industry that today we are not able to do in that area.

Senator MUSKIE. What kinds of incentives does the State of Georgia provide now for industrial development?

Governor SANDERS. We provide many things. We have, of course, tax exemptions on our industrial equipment. Anyone who would come and build a plant, actually locate in the State, the equipment that they actually use and the capital inducement is exempt for sales and use tax purposes. This, too, applies to existing plants in our State. We have a very competitive and a very fine tax structure in our State as far as the ad valorem taxation is concerned. We have 26 areas of vocational trade schools we have built in which we are actually building curriculums that would fit the needs of those people who would come to the State of Georgia and would like to develop certain types of skills in that particular type of industrial development.

So we have gone as far as we know how to go to try to provide a kind of climate, provide the type of labor. In addition to that, I might say this not a legislative matter, but we find that the people who have located in our State tell us that so far as the number of hours and the interest that the employees have in their jobs, the

loyalty that they have to the company, and the efficiency with which they are able to work and the pride that they take in the productivity of the company, that it is the highest anywhere in the country.

As a result, we have been able to capture a great deal of new industry and we hope, Senator, that we will continue.

Senator MUSKIE. Has the Area Redevelopment Act been of any assistance in these areas?

Governor SANDERS. Yes, sir; it has helped us in many ways.

Senator MUSKIE. Thank you.

Senator RANDOLPH. Senator Cooper?

Senator COOPER. Governor Sanders, we are, of course, concerned that the States might diminish their interest because of the fact that the Federal Government would be represented full time and the States might not. I raised this question several times with Governors, and also with Mr. Sweeney.

It seems to me this a matter for the States. Why can't Georgia—why can't the other States which are included in this program, appoint their full-time representatives? Why can't these full-time representatives coordinate their activities and secure the best possible use of this program?

Governor SANDERS. Senator, I think we can. My only concern is I felt like, as a matter of program, the procedure that I am sure we all follow in this program, I think it would be better in the course of the legislation simply to provide that there would a full-time representative. I find that in government and in so many other areas of activity that where you leave things purely and simply on a voluntary basis, and you leave it simply on the basis of part-time, perhaps, operations, that too often they wind up in a part-time category and this is the concern that I have.

I just simply felt that in the bill, rather than leave it simply voluntary, since we have done this same thing on a State level with our area planning commission, that we ought to spell it out that there ought to be full-time representatives, to provide that the State pay these representatives in full. If you are going to have full-time people working on the Federal level, I think we ought to have full-time people on the State level.

Senator COOPER. I am going to say again, I think that is the responsibility of the States. I think it would be very sad and unfortunate if this bill should be passed with all of the benefits on behalf of which the Governors have testified, and then the States did not assume their part of the responsibility to see that they have full-time personnel working on it.

We hear often about the Federal Government's power, and we are urged, and want, to let the States have their responsibility. This is the simplest responsibility they could undertake, that is to see that they have adequate personnel to carry out and watch over the program. I think you have made a very good statement and I think it is well to have raised this question. I have been raising it, but I think, again, it would be a tragedy if the States do not do their part at least as far as personnel and coordination is concerned.

Governor SANDERS. Senator, I can only answer for one part. We will have it whether you make it part time, full time, or mandatory.

Senator COOPER. We hope it will be full time.



Senator RANDOLPH. Senator Montoya.

Senator MONTOYA. Could this work not be undertaken by the work of your State planning commission and their staff?

Governor SANDERS. State mining commission?

Senator MONTOYA. Yes.

Governor SANDERS. We don't have a State mining commission in that sense.

Senator MONTOYA. I said "planning."

Governor SANDERS. Planning commission?

Senator MONTOYA. Yes.

Governor SANDERS. I think that some of this work could be undertaken by the planning commission. Now, we have, Senaor, our planning commissions. They are multicounty commissions. They are coordinated with our industry and trade department. These are local self-started, self-initiated programs, and we provide State funds to the same extent that you would be providing Federal funds in this program.

Senator MONTOYA. Yes; I understand that you have this type of commission, presumably patterned after the requirements of the Area Redevelopment Act.

Governor SANDERS. Yes, sir; that is correct.

Senator MONTOYA. We have a State coordinating commission to work together with the local area planning commission.

Governor SANDERS. Correct.

Senator MONTOYA. Now, why couldn't this work be done at the State level to coordinate with the Federal level?

Governor SANDERS. When you speak of this work, you mean the work of this coordination?

Senator MONTOYA. So-called part-time representative that you speak of.

Governor SANDERS. They could.

Senator MONTOYA. Now, what do you estimate your road requirement to be under this program?

Governor SANDERS. Well, you mean in dollars and cents? Our road requirements in Appalachia?

Senator MONTOYA. Well, let's put it in miles.

Governor SANDERS. Senator, I think that the area that we are speaking of encompasses almost the entire northeastern section of our State. I would say that I have no specific figures in miles as to how many miles of road that we would consider to be adequate for our particular area.

I can only guess, and if I gave you a figure on miles, it would simply be a figure that I would pull out of the air. I would say that it would encompass in the neighborhood of at least 100 miles of road, new roads and roads in that area of the State that would give us a much larger and much more adequate program than we now have.

We do have, as I pointed out, a State program. We have a \$400 million highway construction program that is under commitment or construction to the State, and we expect to spend Federal and State funds for the next 2 years, \$337 million more. Of course, a good bit of this money—some of this money will be allocated to this particular Appalachia area.

Senator MONTTOYA. Right now, since these are access roads, the State would be required to spend its own State money on these roads; is that correct?

Governor SANDERS. That is correct.

Senator MONTTOYA. Would you require that these roads be asphalt or just graded roads?

Governor SANDERS. Well, in this particular area of our State, I don't think we could make a requirement that there be asphalt roads because this is a mountain area and the truth of the matter is that gravel roads in this area of our State sometimes prove to be a far superior type of road than an asphalt road.

Senator MONTTOYA. What would you estimate the cost to be per mile on this type of a road?

Governor SANDERS. On a gravel road? Oh, I would say a gravel road maybe in this area of the State would probably cost—we had a rural road program several years ago that ran anywhere from \$12,000 to \$20,000 a mile. I would say it would fall in that category.

Senator MONTTOYA. Mr. Sweeney indicated that the cost per mile would be about \$50,000.

Governor SANDERS. A mile?

Senator MONTTOYA. Yes.

Governor SANDERS. I don't believe it would cost \$50,000 a mile for access gravel-type road. Now, if they are asphalt roads, of course, I am sure that they would cost more, but I don't think that the gravel road type that you are speaking of would cost that much in Georgia.

We do have an excessive cost, as I am sure we all recognize, in this type of terrain, going in and providing the roadbed, because we have to do a great deal of excavation.

Senator RANDOLPH. Senator Montoya, if I might interject at this point, one of the compelling reasons for the additional 500 miles of access roads was that we found, in States like Alabama and Georgia, that these gravel roads into timber areas or partially timbered areas could be built for approximately \$26,000, up to \$40,000 a mile.

I just want to add that for the record at this time. We do not add an overall sum in the bill, because we have information as to the costs. We are able to add the 500 miles to the 500 miles which were in the bill last year, bringing 1,000 miles of access roads, because of the lowered costs which have been provided, I will say to the Governor of Georgia, from your State and other States in the area.

Senator MONTTOYA. Thank you, Senator.

Do you have any mineral resource studies?

Governor SANDERS. Yes, sir. As I pointed out, we are in the process of making some mineral resource studies. We are doing this through our industry and trade department, and also through our department of geology which we have.

We do not have a complete State record of all of the mineral resources of the State. This is the project that recently I have had the opportunity to discuss with the department of geology. We are very interested and we are proceeding now to try and provide a complete record of our State minerals. There are some areas in Georgia that have already been mapped, but we do not have it completed.

Senator MONTTOYA. What undeveloped mineral resources do you have in this particular area?



Governor SANDERS. We have a great many. The truth of the matter is, in this particular area of the State we still are operating, but not for commercial quantities, a couple of gold mines. In fact, Dahlonega, Ga., I think, was one of the first mines in the United States, and our State capitol, the dome is covered with gold that was mined up in this area of the State.

There is not only gold, other types of gold, but other types of minerals that we have in this area of the State that have never been tapped or developed. Of course, we have a great deal of Georgia marble up in this area. We have other rocks. This marble is being quarried in Georgia in commercial quantities and, of course, a good bit of the U.S. Capitol, you know, has Georgia marble in it, sir.

Senator MONTROYA. Do you have any coal deposits in this region?

Governor SANDERS. In Georgia we have knowledge of some coal deposits, but they have never been developed.

Senator MONTROYA. Well, would you say, Governor, that the emphasis should be placed more on access roads rather than in economic planning and development, dollarwise, I mean?

Governor SANDERS. Dollarwise. Well, I think unless these people have access from the region, and other people have access to the region where they live, I think that we could harvest crops, we could harvest timber, we could mine marble or gold or what not. If we cannot get it out over the roads, I think we are just wasting our time no matter what we develop.

Senator MONTROYA. Would you say the basic requirements for development in this region call for not only access roads, but economic planning and stimulation of the economy through affirmative programs simultaneously?

Governor SANDERS. I would think that there should be some simultaneous effort made not only with the providing of access roads, but also stimulating the economic opportunity of those people so that they can develop the product and get it on the road and get it to the market and get the money back into the area and keep this cycle moving.

It is sort of like ham and eggs, grits and gravy. I don't think one could very well proceed too successfully without the other program also being pushed at the same time.

Senator MONTROYA. That is all, Mr. Chairman.

Senator RANDOLPH. Thank you. Senator Boggs?

Senator BOGGS. Thank you, Mr. Chairman.

In view of the time, and the good questions which have been asked, I just want to thank the Governor for his appearance.

Governor SANDERS. Thank you.

Senator RANDOLPH. Again, we thank you, Governor Sanders. We realize that through your leadership, and the coordination of the other Appalachian Governors, that you are ready to move forward with the programs that in a sense, are in being. You need this affirmative action at the Federal level so there can be this partnership for progress in the 11-State region; is that correct, sir?

Governor SANDERS. That is correct.

I want to thank the committee for permitting me to appear this morning. I have to be present at a general assembly and you were so kind to allow me to be heard before I go back home.

If I can furnish any other information that will be of assistance, I will be delighted to do so. Thank you.

Senator RANDOLPH. Thank you, Governor.

The committee is privileged now to hear testimony from our colleague, Senator Daniel Brewster, of Maryland.

Will you proceed in your own way? We are very happy that you have, in a busy schedule, fitted in another appearance before our committee.

**STATEMENT OF HON. DANIEL B. BREWSTER, A U.S. SENATOR  
FROM THE STATE OF MARYLAND**

Senator BREWSTER. Thank you very much, Mr. Chairman.

Mr. Chairman, I am grateful to you and my colleagues on this committee for affording me an opportunity to testify in behalf of S. 3, the Appalachian Regional Development Act of 1965.

As a cosponsor of this bill, a member of this committee during the 1964 consideration of it, and a Senator from one of the States which will benefit by its enactment, I am deeply concerned with this program.

At the opening of hearings last year, the Under Secretary of Commerce, the Honorable Franklin D. Roosevelt, Jr., vividly illustrated the measure which divides general prosperity from regional poverty. In earlier statements, the Secretary pointed to statistics showing an Appalachian unemployment rate of 7.1 percent, compared to a national rate of 5 percent. He pointed to income figures of \$3,000 or less for one-third of the families in Appalachia, as compared to one-fifth of the families in the Nation.

The concern of the President, of Mr. Roosevelt, and of many of us in Government at all levels is with the increasing gap between a bountiful America and a bypassed Appalachia.

As the senior Senator from Maryland, I am concerned with the economic prosperity of three western Maryland counties—I note their Representative, Mr. Mathias, is here this morning—which fall within the purview of Appalachian poverty and within the promises of Appalachian development. I know my own State best. I believe that the program envisioned in this act is essential to the economic future of Washington, Allegany, and Garrett Counties.

I believe that their problems are illustrative of the problems throughout Appalachia, and I am concerned that the members of this committee and of the Congress who do not represent Appalachian areas, understand fully the seriousness of the situation with which this legislation is intended to deal.

Let me be descriptive. The Appalachian counties in Maryland comprise 1,570 square miles of mountain and valley. They represent 15 percent of the State's total land area and accommodate 6.3 percent of the State's population. Garrett County is the second largest in the State, but it is inhabited by less than 1 percent of our total population.

Until recent times, the economic mainstays for the 194,000 inhabitants of our Appalachian counties were agriculture and mining. Farming has declined to the point where it is prosperous employment for an ever-decreasing number. In Garrett County it provides employment for one-third of the work force, but in Allegany and



Washington Counties for only 5 and 3 percent, respectively. The coal mines which once employed 6,000 provide jobs for 500 today.

Today, the economies of the tricounty area are dependent on the 8 percent of Maryland's total manufacturing which is located there. In Allegany and Washington Counties, 45 percent of the work force is so employed. In Garrett County, more than 20 percent of personal income is derived from manufacturing. The increasing automation of the manufacturing process threatens a continual reduction of available employment in industry, as well as in farming and mining.

Forest resources constitute some 600,000 acres of timberland in these three counties, but only a small portion is sawtimber and of this amount only a fraction is being cut.

Water resources are presently adequate to a stagnant economy, but could never meet the demand of population and industrial growth.

Per capita income in our mountain counties was, in 1961, \$500 a year below the statewide average.

Our western counties are also deficient in the development of adequate housing and the provision of educational opportunities. The percentage of substandard housing ranges from 20 percent in Allegany County to 39 percent in Garrett County. Substandard refers to housing in a dilapidated condition or lacking bath or toilet facilities.

The key to economic development in 1965 is the adequacy of transportation. In this area, my State's forward looking highway program has placed Washington, Allegany, and Garrett Counties in a position to make significant, forward strides as soon as the other elements in the Appalachian plan have been effected. Washington and Allegany Counties have adequate highway and rail linkages completed or scheduled for early construction. Garrett County can be expected to enjoy a similar improvement, but here much needs to be done.

As our Nation has grown, we have come to recognize the interdependence of its regions, and the contribution which each makes to the prosperity of all.

President Johnson has carried forward with characteristic energy and effectiveness many of the programs which were formulated by the late John Kennedy, but the President has done more than that. He has launched a massive national war on poverty wherever it is found. This war is a noble war, and I am proud to have joined with a bipartisan group of my colleagues in sponsoring the attack on poverty and the specific legislation directed toward the elimination of poverty from the Appalachian region of our country.

Mr. Chairman, no one knows better than you, representing the great State of West Virginia, that the people of Appalachia are a great people. They have shown their spirit in their response to their circumstances, geographic, economic, and human. Even now, they are preparing to do their part in implementing the recovery for which this bill provides. They recognize, as we do, that the construction of highways, the attractions of industry, the prevention of flooding, the management of resources, the construction of educational and medical facilities, and the elimination of human suffering, are the ingredients of the good life and the Great Society.

The realization of the American dream for each county of Appalachia is within our grasp. The passage of the legislation pending before this committee is a long step toward this realization.

I am proud that it was the Governor of my own State who, in 1960, called the first conference of Appalachian Governors to consider what steps might be taken in this area. I would like to close my testimony by quoting from a statement issued by Governor Tawes at that time:

Americans cannot afford to be complacent about economic hardship and distress anywhere in the world, much less in the very heart of our own country, nor can we allow ourselves to be defeated by the difficulties of the problems we face. We must move in to tackle them with vigor and determination.

In conclusion, I would like to say I am honored and privileged to join with my colleague, the chairman of this committee, Senator Randolph, who is sponsoring this legislation. I would like to congratulate Senator Randolph for the great leadership he has personally shown in guiding this legislation to a very early hearing only within days of the inauguration, so that we can hopefully expect enactment in the immediate future and the implementation of this program before the year is over. My congratulations, Mr. Chairman, to you personally, and to the members of this committee.

Thank you.

Senator RANDOLPH. Senator Brewster, I am grateful for your remarks with reference to my personal efforts joined with yours and all members of the committee and a very large number of Senators in this matter.

I think it might be appropriate, Representative Mathias, while Senator Brewster is here, if you wish to make a brief comment—not that I am stressing the briefness except we are moving now to a conclusion.

#### **STATEMENT OF HON. CHARLES McC. MATHIAS, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND**

Mr. MATHIAS. Thank you very much, Senator. I do appreciate the opportunity to say just a few words. I have introduced the bill as a cosponsor in the House of Representatives. It seems to me to meet some of the very basic needs that we in the Appalachian program have held for some time.

In 1961, we had a western Maryland conference which brought together representatives of industry, labor, agriculture, and government. Basically, the conclusions that we reached after a mature deliberation of our problems of the shortage of job opportunities, other economic dislocations that were being experienced periodically and recurrent was that water and highways, access and water resources, were going to be the two big things which would move us from a material point of view.

I believe that this bill will give us a substantial push forward in these areas and upon consideration, decided to give my full-hearted support to this program in its entirety.

I appreciate the chance to just add these words to those of Senator Brewster. I want to thank the chairman for his many courtesies in connection with efforts in our adjoining States pressing forward to the causes that we both believe in.

(See supplemental statement of Congressman Mathias on p. 204.)

Senator RANDOLPH. Thank you very much, Representative Mathias. Senator Cooper?



Senator COOPER. I want to thank our colleague for his testimony and support.

Senator RANDOLPH. Senator Muskie.

Senator MUSKIE. It is always a pleasure to invite Senator Brewster to testify before his colleagues. However, I shall resist the temptation to subject him to questioning at this time.

Senator RANDOLPH. Senator Boggs.

Senator BOGGS. I feel the same as Senator Muskie. Thank you, Mr. Chairman.

Senator MONTAYA. I have no questions.

Senator RANDOLPH. Senator Brewster, again we thank you very much, and we look forward to not only your support but also to your active participation, if necessary, in the Senate debate.

Thank you very much.

Senator BREWSTER. Thank you, Mr. Chairman.

Senator RANDOLPH. I wish to note for the record the presence in the hearing today of our influential citizens of Martinsburg, Mr. Marlon Eckhard, the postmaster, and Hubert Taylor. We are very happy that they have come today to indicate their interest, and especially now to share in listening to the testimony of the newly inaugurated Governor of West Virginia. Gov. Hulett C. Smith was inaugurated on Monday afternoon in an almost blinding snowstorm. Some 3,000 or 4,000 persons who were there at the capital were impressed by the confidence which he expressed in the future of West Virginia, the courage with which he is ready to face the problems of the State, and in a sense, I think, the compassion which our new Governor has for the human needs of the area.

Governor Smith, if you will testify at this time, we know the committee will be helped by your counsel.

#### **STATEMENT OF HON. HULETT C. SMITH, GOVERNOR OF THE STATE OF WEST VIRGINIA**

Governor SMITH. Mr. Chairman and members of the Public Works Committee, it is a great pleasure to be here today on the first full day of this new Federal administration, in the first full week of my term as Governor of West Virginia, in the first full month of the 89th Congress, to discuss a new and promising program designed to accelerate the development of one vital section of this Nation.

Mr. Chairman, you and the other members of the Public Works Committee deserve our thanks and appreciation for calling these hearings so early, for keeping them as brief as possible, and for making every effort to bring the Appalachian regional development bill to a vote by the full Senate as soon as you can.

I trust that the House committee will follow your good example, for this program is of utmost importance to all of the 11 Appalachian States.

And here, I must pay my respects and extend my appreciation to another group of national leaders—the Conference of Appalachian Governors. I understand our chairman testified just a moment ago.

The Conference of Appalachian Governors, created just 4 years ago this winter, was dedicated to the principle that the national economy could not be called healthy as long as one vast section of our country

lagged behind in the development of new jobs, public facilities, and full utilization of natural resources.

Their dedication was so intense that they persevered against many obstacles, first to attain a unity of purpose, and then to persuade the Federal Government to join with them in a genuine Federal-State cooperative effort to solve their mutual problems.

Without their efforts, I believe these hearings probably never would have become a reality, nor this bill a possibility. We all owe a debt of gratitude to the members of the conference, past and present.

For my own part, I pledge my cooperation with the other Appalachian Governors as I become the newest member of their organization, just as I pledge my cooperation to you, Mr. Chairman, and to the Federal and State officials who will administer this program.

It seems almost superfluous to say that West Virginia favors the swift enactment of S. 3. My forward-looking predecessor, Governor Barron, testified eloquently to this effect in the hearings you held last year. He was chairman of the two critical years. He and Cohens were most active in the development of the Appalachian Governors program.

As you know Senator, I have expressed support of Appalachian redevelopment many times to you face to face, in the many years of our treasured personal friendship.

Let me reaffirm:

West Virginia supports the Appalachian regional development bill.

As Governor, I think S. 3 is a good bill.

It is realistic.

It goes directly to the heart of many of the problems facing Appalachia. It is attainable, within the time established in the bill. Therefore, I simply and positively support the passage of this legislation.

There probably has never been a bill or an act of Congress which could not have been improved in some way or another. So, I know that you will recognize that I am not casting any reflection whatever upon the general excellence of S. 3 when I propose some constructive suggestions. I hope they might make this bill more workable, more effective, and more responsive to the needs of West Virginia and Appalachia.

First, we are elated that the highway portion of the Appalachian regional development bill, as resubmitted, continues to provide for a broad system of first-class highways and access roads.

The 70-30 matching ratio provided in the bill is truly a major accomplishment—for it gives recognition for the first time to the developmental factor that accompanies highway construction. It also takes into account the difficulty and high costs of building highways in mountainous terrain.

I must say in frankness that even 30 percent of the cost will be difficult to provide in a State such as West Virginia, which lies entirely within the Appalachian Range and has a limited capital base from which to draw revenues for highways. However, we are determined to do our best.

My State road commissioner, Sawyers, has advised me that if this bill is passed within a reasonable time, he can place 16 miles of the Appalachian system under construction before the end of calendar year 1965, and an additional 30 miles during 1966.



He also has scheduled corridor criteria selection, engineering, right-of-way acquisition and construction in such a way that 1967, 1968, and 1969 will be years of immense contract letting for segments of West Virginia's highway network.

I am pleased with this. I am also pleased that the new bills provide for 1,000 miles of local access roads, instead of 500 miles, contained in the previous bill.

While the mileage is increased from 2,850 to 3,350 miles—with 1,000 miles of local access highway—the Federal contribution is left at \$840 million, as in the 1964 version of this bill.

Mr. Chairman, constructing more roads with the same amount of money can result in only one thing—lower standards of safety and quality. I assure you that West Virginia's plans have cut projected highway costs to the bare bones. I trust that you can increase the Federal share of this cost to consider this additional 500 miles of access highway.

I want to be recorded officially as taking the position that unless additional funds are provided, we should revert to the original, 2,850-mile network, in order to provide roads of a higher quality.

I would also like to call your attention to the next section of the program. The next section of the program I would like to call to your attention is the survey on mine subsidence, strip mine reclamation, and minefield rehabilitation.

The immediate benefits of this section would go only for sealing and filling of underground mines and control of mine fires. What this program means to West Virginia and other coal-producing States is a comprehensive study of mine-land reclamation problems and processes, which will be conducted by the Department of the Interior.

The inference is that there is sufficient know-how to fill abandoned mines but not enough knowledge to rehabilitate strip mine scars, and that shaft mines should be filled no matter where they are located but that strip mine banks, even if they are discharging acid wastes into the streams, must be in "use by the public" before they are eligible for assistance.

At present, West Virginia is rehabilitating old strip mine sites and doing a good job of it through our sold conservation districts. But the number of abandoned sites is so vast and our resources available for this work so slim that the task is almost endless.

We in West Virginia sincerely hope that strip mine rehabilitation could be considered at least as eligible as shaft mine closing, without restriction and not contingent upon the land being in "use by the public." The old strip mine sites, unsightly relics of the day of unrestricted exploitation, are painful to behold. But they can be and should be healed, for the benefit of the general public, to help clear our streams, and to allow these lands to again be fitting habitat for wildlife.

Mr. Chairman, this section is worthwhile and has our support with the suggestion I just made. However, since the Interior Department is going to study the entire problem of coal extraction and mining processes, it seems to be that it would also be fully justified in enlarging this section to incorporate a survey of all the mineral resources of the Appalachian region. I believe our sister States in Appalachia would also favor the expansion of this study to include all our mineral resources.

We in West Virginia look to the full development of all our resources to expand our economy and improve our way of life. There is a clear need today for a better inventory of our underground resources in West Virginia, to determine how they might be used to provide a greater economic stimulus.

In coal—the principal energy sources of the region—much is being done through the Office of Coal Research. Much more might be done as a result of the study I am proposing. Other minerals underlie the Appalachians, and not nearly enough is known about their potential for development. For example, certain sections of southern West Virginia and western Virginia have large deposits of a low-grade iron ore. Considerable research has been done to determine whether the mining and smelting of this ore is economically feasible. The Interior Department, with its expertise and vast resources, certainly could contribute to a fuller understanding of these ore deposits and their value.

We have other mineral resources that merit attention:

Great areas of the Appalachians have deposits of high quality limestone. In many areas, this limestone is being quarried and mined. But we need to know more about new applications of this product in construction, the chemical industry, and other fields. We need to determine if untapped markets exist. An expansion of the Interior Department study might fruitfully pursue these questions.

The salt brine and rock salt deposits have led to the growth of a great chemical complex in the Ohio and Kanawha River Valleys. The potential for further expansion of the industry, based on these available raw materials and good transportation systems, needs to be investigated.

Similarly, our famed glass industry grew up largely because of the deposits of natural gas within the region. New techniques and modern extraction methods have increased production of natural gas and crude petroleum in the past several years. The Interior Department might look into whether new drilling and reclamation techniques would enhance the economic benefit of the oil and gas industry of the Appalachians.

The study I am proposing, to run concurrently with the mining study, would require additional funds, but I believe that these would be funds well spent.

Finally, I would like to suggest a series of changes that seem vitally needed in restoring the people of Appalachia to the good life which most Americans already enjoy. I refer to the fields of housing and public facilities.

Although the housing gap is well documented in the report of the President's Appalachian Regional Commission, the present bills do not provide for the improvement of housing in the eastern mountains to any appreciable degree.

It is true that section 213 provides for additional planning under the auspices of the Housing and Home Finance Agency, but planning does not build or improve homes in a region where 1 home in 14 is so dilapidated that it endangers the health and safety of its occupants.

It is also true that funds for sewage-treatment facilities is authorized under section 212, but sewage-treatment plants mean nothing to the many communities which do not have water systems or sewer interceptor lines.



We also have in West Virginia a critical lag in urban renewal programs—particularly in smaller cities which have been hardest hit by economic blight.

Urban renewal is too much a big city program. The smaller community simply does not have—and cannot afford—the staff to implement an effective renewal program. To illustrate, Pennsylvania has received \$488 million in URA funds. West Virginia has received \$8 million. Pennsylvania has many big cities. We do not.

The need for more and better public facilities is equally great in the Appalachian area. The Accelerated Public Works Act of 1962, which originated in this committee, proved the enormous desire of West Virginia localities to improve their communities with new public works. We receive more than \$43 million in Federal grants, amounting to more than \$70 million in construction for over 250 projects. It was a wonderful program, providing new facilities to localities which had despaired of ever obtaining them. It should be revived and continued in the Appalachian region.

In view of what I have said, I would respectfully propose the following:

First, includes a minimum of \$100 million in accelerated public works authorization for the Appalachian region. This could be allocated to local governments on the same 70-30 matching ratio that will govern the road program.

I would suggest that the program could be limited to water and sewer systems, street improvements, public incinerators, off-street parking facilities, firefighting buildings and improvements, and conservation projects.

West Virginia has a current backlog of more than \$25 million, in 115 community projects, pending under the APW program. Most of these projects never will be built without grant moneys, because the communities simply cannot bear the total cost. If you would approve such a program, the volume of pending applications would double within 90 days, so great is our need in this field. I trust that you can give this proposal every proper consideration.

Second, I propose that the Appalachian Commission be directed to study the feasibility of outright administrative grants to be established for communities of less than 25,000 population, to enable them to hire professional planners, administrators, and technical help to launch urban renewal programs.

If this is not done, the smaller urban centers of West Virginia and throughout Appalachia will continue to be blighted with rundown communities of desolation and decay—simply because their financial resources do not permit them to undertake the complex task of making urban renewal a reality.

Third, the authorization of \$90 million to supplement existing Federal programs under section 214 is a well-conceived idea, and I approve it wholeheartedly. I feel it can bring many positive benefits to the Appalachians.

However, on a 5- or 6-year basis, it simply does not seem to be enough. As communities and States grow in familiarity with the Appalachian program, and grow apace economically, the demand upon this fund is sure to be greater.

I urge that the committee consider a total authorization of \$300 million, with only \$90 million in supplemental grants-in-aid available in the first 2 fiscal years of the program, or until expended.

I should like to make one additional comment on the provisions of section 214, as it relates to watershed development and flood prevention.

Section 214 authorizes a grant-in-aid program of increased Federal contribution to certain projects of programs already authorized, including the Watershed Protection and Flood Prevention Act which is already so helpful in Appalachia. In West Virginia we have been actively cooperating with the Federal departments in effectively implementing work authorized by Public Law 566. The State is engaged in a substantial number of projects that are in various stages of construction. In all cases there is cost sharing by our local communities.

Planning these projects and obtaining local financial cost sharing leads us to form the opinion that most upstream damsites are not being made use of to their maximum potential and that this waste of capacity cannot be corrected with the present formula of the cost-benefit ratio.

We consider a damsite, big or little, to be a valuable and irreplaceable natural resource. Properly utilized, it becomes a focal point for the best type of recreation, a source of water supply, a flood prevention unit. But some of these dams make use of a very small percentage of their total potential. Considering that a damsite is a resource, this is an irreplaceable loss. A site once occupied by an undersized structure is spoiled forever being used to its natural capacity.

The main reason for this misuse of a natural resource is the inability of local people to come up with a greater share of the cost. Although the impoundment may benefit many persons outside the local community, only the local group now shares with the Federal agencies in the costs.

We propose, therefore, that the following be added to section 214(c) :

In administering the funds made available by this act for implementation of the Watershed Protection and Flood Prevention Act, the Soil Conservation Service shall be charged with the duty of establishing a practical maximum-use classification for each proposed structure site, design the structure for this practical maximum use, and, as a means of assisting the local sponsors in meeting their percentage of the costs, shall be authorized to make use of flood control and other benefits to be derived from the proposed structure as far downstream as has been made use of it in the past by any agency of the Federal Government in any watershed or river basin, unrestricted as heretofore to the subwatershed immediately below the structure, and that maximum use also be made of benefits derived from potential wildlife habitat establishment and future public recreational and water supply uses.

I believe these suggestions which I respectfully put before you would make the Appalachian Regional Development Act more effective.

I strongly urge the passage of S. 3, with the amendments I have presented. I am certain it would contribute greatly to the economic vitality of the Appalachian region, provide urgently needed public facilities and services, and help our area to join in the well-being and prosperity which is now the norm in our affluent American society.

It has been an honor and privilege for me to be with you today, Mr. Chairman, and I extend my thanks again to you and the members of this committee.



Senator RANDOLPH. Thank you, Governor Smith.

Senator MUSKIE, I know of a commitment you have in a very few minutes. You are very kind to be with us to listen to the statement of Governor Smith of West Virginia and I would like to have you question at this time.

Senator MUSKIE. It is a privilege to join in welcoming Governor Smith here. I don't really want to take the time to ask questions now but I would like to make a comment or two on some of the Governor's suggestions for modification of the program.

I share his belief in the value of the accelerated public works program. I share what I am sure is his regret that that program has not been continued in the previous Congress to this one. Because of the urgent need for the program in many areas of the country, including my own State and areas which also have problems similar to Appalachia in upgrading the level of economic activity, I would hesitate to support a suggestion that we include an accelerated public works program for Appalachia alone.

I think that we ought to concentrate our effort on renewing the program for the country as a whole because we need it badly, too. I am afraid that if we get it included in the Appalachia program that we would tend to minimize the possibilities for getting it for the other parts of the country.

I would agree with your opinion of the great value of the accelerated public works program as a part of the program for developing areas like Appalachia. In that respect we share a common view.

I also share with you your concern about the failure of the urban renewal program to meet the needs of small States and small communities. We have had a similar experience in our State. As a member of the Senate Banking and Currency Committee, I have been involved with the urban renewal program. I would hope that it might be possible for you to state these views in that committee. I think that really the answer to it is not the suggestion that you have here but the frontal attack upon the problem in the Banking and Currency Committee directed at the Housing and Home Finance Agency.

We have an Agency which grew in response to the very critical urban problems of large metropolitan areas and because it grew that way it developed a tremendous amount of bureaucratic redtape that is geared to the like bureaucratic redtape in the big metropolitan cities which small cities are not in a position to match.

I voiced this concern in the Banking and Currency Committee last year when officials of the Housing and Home Finance Agency testified on the urban renewal program at that time. In response to that the Agency itself now has undertaken some pilot programs, one in my own State, designed to develop approaches which are geared to the administrative machinery of small States.

So I welcome your testimony on that, too, Governor, and I look forward to inviting your participation in hearings at an appropriate time before the Banking and Currency Committee.

Governor SMITH. Thank you very much, Senator Muskie. I certainly would be delighted to appear before the Banking and Currency Committee. I recognize the fact that this is a field that is not germane perhaps to the bill that we are considering today, but it is a field

in which we are most interested in, in West Virginia, and you are interested in, in Maine.

Only a few days ago in a talk in Charleston, that was pointed out very clearly: the problem of urban renewal in small cities as against larger cities. Whereas they have staffs of over 50 employees in cities such as Norfolk, Va., and Scranton, Pa., in Charleston they are able to afford 3 and Bluefield and Huntington, 6 apiece as far as the communities of West Virginia.

This is where the problem arises and that is why there is not more of this very valuable rebuilding of America in the smaller communities of this Nation. I certainly would like the opportunity to appear.

Senator MUSKIE. Actually, there is more future in the small communities than there is in a big one.

Thank you, Governor.

Senator RANDOLPH. I would like to note the presence of Curtis Aul, the mayor of Vienna, this morning. As you know, Governor, Mr. Aul has been president of the West Virginia League of Municipalities. I noted expression of approval when you spoke about a program of expanded or accelerated public works. He testified, as I recall, on that legislation at the time we had hearings here in the Public Works Committee of the Senate.

I would also call attention to the presence of Emery Woodall, who is the postmaster in Palermo, in Lincoln County, W. Va. I don't want to be provincial in anywise, but out of a rural county like Lincoln in which Mr. Woodall lives, a young man came, Chuck Yeager, the first man in America to fly faster than the speed of sound. I remember very well at the Wright brothers dinner I was talking informally before the banquet with Chuck Yeager about some West Virginia matters and this man standing nearby, an admiral with gold braid, said, "What do you know, Mr. Yeager, about West Virginia?" And he replied, "Well, I was born so far up the hollow that we almost had to pipe the sunshine in." In other words, he was a young man who had come from the recesses of the ridges of this mountain area.

We can bring rewards to these ridges and in a sense, riches to the people.

Your testimony is very helpful today.

Senator Cooper.

Senator COOPER. Your testimony has been very comprehensive. I think you know your State has a very able representative here on this committee. I am sure we will hear a great deal about your recommendations.

I have no questions.

Senator RANDOLPH. You have given us some recommendations, not just suggestions. We are going to give them very careful attention.

Governor SMITH. Thank you.

Senator RANDOLPH. Senator Boggs.

Senator BOGGS. Mr. Chairman, I feel very much as Senator Cooper does. I am happy to welcome Governor Smith and to meet you. I would certainly say for your first week you have had a busy one, Governor. You are starting out very well and I wish you every success.

Governor SMITH. Thank you, Senator.



Senator RANDOLPH. Representative Hechler, I accorded the privilege to Representative Mathias of commenting on Senator Brewster's remarks before the committee.

Would you desire to make any comment? You have worked on this legislation in the House and your area of the State was very much in need of this program. While Governor Smith is here would you help by your testimony informally from the place where you sit?

**STATEMENT OF HON. KEN HECHLER, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF WEST VIRGINIA**

Mr. HECHLER. Mr. Chairman, certainly by his testimony Governor Smith has shown his deep and perceptive appreciation of the problems in the Appalachian region. I, too, am greatly interested in what Governor Smith has recommended concerning planning assistance for communities the size of Vienna which Mayor All presides over.

I think it is absolutely necessary to develop an urban renewal program. I am also very pleased that Governor Smith has brought out the tremendous value of accelerated government works programs in West Virginia. I have yet to find a Member of the House and Senate who disagrees with this conclusion.

I think we ought to start a little revolution to get this program revised. I would concur with Senator Muskie that may not be the bill to put it on and it may not be possible to connect it with any other program. I think it is vital for the development of the economy, not only the Appalachian region but the rest of the country, that the accelerated public works program be continued. Here we have a program where the machinery is already set up, we do not have to set up any new or expensive bureaucracy, and I think it is highly important to commend Governor Smith.

Senator RANDOLPH. Thank you, Representative Hechler.

We have with us today also from West Virginia, Representative Kee, and I refer to him as Jim. He is the newest member of our delegation. I served with your father and your mother and now it is good to serve with you, this fine family giving so much in constructive contribution to West Virginia, in particular, the Fifth District.

You are now a member of the Public Works Committee of the House.

Mr. KEE. Correct.

Senator RANDOLPH. I think you might want to comment while Governor Smith is here.

**STATEMENT OF HON. JAMES KEE, A REPRESENTATIVE IN CON-  
GRESS FROM THE STATE OF WEST VIRGINIA**

Mr. KEE. Mr. Chairman, thank you very much for giving me this opportunity to appear before your Public Works Committee.

First, I would like to say that the Public Works Committee of the U.S. Senate should be highly commended as your first program of 1965 started immediately on the Appalachian region. You are certainly to be commended and I want to join wholeheartedly in the recommendations made by Governor Smith.

I would like to make just one brief observation, Mr. Chairman. The provision in this bill, of which I have a counterpart bill introduced in the House, in the Appalachian region back in 1964, is merely asking the Congress to do what it has done ever since we have had a Congress in our form of government, and that is to promote the general welfare. That is exactly what this bill provides. It does not provide any specific favors in one particular area at all.

The TVA, and our major flood control projects, you know, are matters of national concern and matters in which our local communities do not have the facilities or finances or otherwise to do it themselves.

While every proposal in this bill is important, I think that one of the most important ones, and perhaps No. 1, is conservation of our water resources.

No. 2, what we desperately need in the Appalachian region is the highway development system.

No. 3, additional help in medical facilities;

No. 4, which has been touched on earlier, assistance from vocational educational facilities.

At this point, Mr. Chairman, I respectfully request permission to file a more detailed formal statement.

Senator RANDOLPH. Yes, that is accorded to you, Representative Kee.

(Subsequently, Representative Kee filed the following statement:)

PREPARED STATEMENT OF HON. JAMES KEE, A REPRESENTATIVE IN CONGRESS  
FROM THE FIFTH WEST VIRGINIA DISTRICT

Mr. Chairman and other distinguished members of the Special Subcommittee on Appalachian Development of the Senate Public Works Committee, I deeply appreciate this opportunity, which you have so graciously extended, to present this statement. Especially am I gratified that West Virginia's senior Member of the U.S. Senate, the Honorable Jennings Randolph, is the chairman of this important subcommittee. I am equally gratified, Mr. Chairman, that your committee has scheduled this public hearing at an early stage of the 89th Congress, thereby reflecting the tantamount importance of expeditious consideration and action therein.

Gentlemen, the Fifth West Virginia District consists of Fayette, Mercer, Mingo, Monroe, McDowell, Summers, and Wyoming Counties, and the entire district is geographically and physically located in the middle of the Appalachian area encompassed by the proposed Appalachian Regional Development Act of 1965.

Throughout this entire region, the level of prosperity has experienced cyclical variations which have presented many difficult problems for our people, including the complete range of social and economic challenges; however, one of the basic problems inherent in this beautiful God-given environment is that of terrain adversity, creating a most difficult situation involving natural resources and the elements of God.

It is earnestly hoped and believed by its sponsors that the proposed Appalachian Regional Development Act will do something more than give a "shot-in-the-arm" to the basic economy of West Virginia. Over the next few years, this plan, if enacted by Congress, should mean a virtual economic rebirth for the whole Appalachian region. The special Commission appointed by the President of the United States to consider the particular problems of this area said this:

"Economic studies have demonstrated that if Appalachia's economy merely equaled the national average, approximately \$12 billion could be added to the gross national product through retail sales; approximately \$5.2 billion could be added to our annual rate of personal income; and another \$1 billion could be added in new housing construction."

The President's Commission proposed a series of practical, down-to-earth programs which form the basis of the legislation now before the Congress. These



provisions are designed to (1) improve general health conditions, (2) to foster the reclamation of coal lands scarred by the operations of former years, (3) to promote the orderly utilization of timber lands, (4) to encourage the development of a thriving livestock industry, and (5) to make better use of the Nation's water resources. This measure also includes (6) a gigantic program of road construction because it has been amply demonstrated that without adequate roads economic progress is impossible. Good roads are equally essential to the development of recreational facilities, a subject of vital importance to the residents of southern West Virginia.

To avoid misunderstanding, it should be made clear that the proposed Appalachian Regional Development Act is not discriminatory—it is not legislation based on favoritism. We are asking the Congress to do what it has done hundreds of times before—to promote the general welfare. The development of rivers and harbors is a Federal function and the taxpayers of our State help foot the bill. The Tennessee Valley Authority was a regional project and so were the dams erected with Federal funds on the Colorado and Columbia Rivers—and let us not forget the Bluestone Reservoir. The Federal Government has initiated a relief program for the flood victims of the west coast. Helping its citizens to help themselves has been a function of the Federal Government since its beginning. The proposed Appalachian Regional Development Act is a continuation of this fine tradition.

As a newly appointed member of the House Public Works Committee, I am looking forward to detailed consideration and effort for the final presentation of legislation which will permit the expeditious implementation of the Appalachian Regional Development Act of 1965.

For over a period of 20 years, the Fifth West Virginia District has been plagued with devastating floods which have deterred the development of economic activities within such counties as McDowell, Mingo, and Wyoming. I am most pleased that section 206, "Water Resource Survey" provides for recommendations for the control of floods, the regulation of the rivers to enhance their value as sources of water supply for industrial and municipal development, the prevention of water pollution by drainage from mines, the development and enhancement of the recreational potential of the region, and water related purposes.

In presenting this statement to this distinguished committee, I am most pleased to encourage and support expeditious consideration for approval and implementation of the Appalachian Regional Development Act of 1965.

Senator RANDOLPH. I can't forego the opportunity, with three Representatives here, two Democrats and a Republican, Representative Mathias, to hear you men say whether you think this legislation, when it has passed the Senate, will pass the House?

You will recall in the 88th Congress apparently there was some difference of opinion. I would like to hear—I am going to put you on the spot, if you don't mind—just what you really believe the House will do in this matter. I will ask Representative Mathias first.

Mr. MATHIAS. Senator, I would be optimistic about the passage of this program. I have been in this game long enough to know that you can't count on any vote but your own, but we do have a great chairman of the Public Works Committee in the House who happens to be a Marylander. I am sure all his efforts will be very enthusiastically engaged in promoting the bill.

I think there is a recognition that this program is of importance to the whole country and not just to those of us who live in Appalachia, and with this national interest, I think we have fair prospects.

Senator RANDOLPH. Thank you. Representative Hechler?

Mr. HECHLER. Well, you can do all the analyzing you want, but there was a little thing that happened on the 3d of November that will make it absolutely 100-percent sure that this bill will go through, because we now have the horses to put it through the House of Representatives.

Senator RANDOLPH. Representative Kee?

Mr. KEE. Optimistic. I am grateful I am going to be on your counterpart committee over on the House.

Senator RANDOLPH. I remember in the presence of newspaper people here today that in my campaign at one time I was with a friend who was campaigning also, and he was asked to make a statement and he didn't make it. He looked at the newspaper people and said, "You can't misquote silence." I don't say that the newspaper people misquote; in fact, I think just the opposite. They make a real contribution to informing the public, after talking with persons who are running for public office, those of us who share the responsibility of a public life.

I would want to say today that we are glad that you have not been silent on this matter, that you have responded in good grace and conscience to the request I have made of you. Thank you very much.

Now, Governor Smith, I think that with these Members of the House present, I would like to refer to the some 18 years that your father spent in the House of Representatives and to your having been reared in a sense in a Federal legislative atmosphere.

I think West Virginia is very fortunate that we are going to have a Governor who understands this partnership between the State and Federal levels. This will be very helpful to us. We are delighted that you have testified for us today, and that you have given us these recommendations.

I also want to call attention to your aide, Paul Crabtree. We have known him here on Capitol Hill. We believe that if this program comes into being that the State of West Virginia will implement very quickly its responsibility.

We are ready, are we not, in West Virginia, to come forward with our contribution of 30 percent needed in the road construction program? Is that true?

Governor SMITH. Yes, Senator. We are ready to move when this legislation is passed. We have the program advanced to the stage, as I mentioned, that 16 miles of highway can be under contract this year.

Senator RANDOLPH. And our legislature, now in its beginning days, would provide funds for the State's level of participation in other programs that are embraced in this legislation?

Governor SMITH. The present budget covers those fields and to that extent we could at the present time, not knowing how far this legislation was going to go, but I am hopeful that before our statutory session of the legislature adjourns on March 16 that this bill will be moved to the Senate to the point that we can be sure that we have included the proper legislation and the proper funding for our part of making the Appalachia regional development program a success not only for West Virginia, but a success for our sister States in Appalachia and for the good of the country.

Senator RANDOLPH. Governor Smith, between 1950 and 1960 West Virginia lost approximately 71½ percent of its population. Do you believe that this type of program would help to stabilize our population figure and stop outmigration?

Governor SMITH. Senator, I think that this type of legislation is not only going to stabilize our population, but it is going to enable it to grow. I look upon this as not something to try and hold the line; I look on this as a definite breakthrough on a program that will develop



this great area of the Nation that lies within the Appalachian region, and, as such, will enable this part of the country to contribute its full share of measure to the entire growth of the Nation.

Senator RANDOLPH. Thank you, Governor Smith.

I am going to give the opportunity to Senator Cooper, while I talk with our Governor for just a few moments, of calling perhaps three witnesses from Kentucky who will testify as we come to the conclusion of the hearings. I will return in a moment.

Senator COOPER. Mr. Chairman and members of the committee, we have been very fortunate during the course of these hearings to have the testimony of Governors of several of the States included in the Appalachian area, and last year we heard from various representatives of the area.

A few days ago I had a call from the officials and private citizens in a county of eastern Kentucky included in this area. These citizens were very desirous that some of the problems of this county—which is in the middle of the eastern Kentucky counties—be presented to the committee. This county is Jackson County, Ky., and the county seat of Mrs. Kee. Jackson County is not situated in the extreme eastern part of our State, where the names of many of those counties have become familiar. It is not the most mountainous area. It is not in the great coal-producing area.

Curiously enough, it is located on the plateau just up from the bluegrass section of Kentucky and it is adjacent to one of our rich farming counties in Madison. It is not too far distant from Lexington, Ky., yet is isolated and has suffered many of the problems and troubles so common in this part of Kentucky.

Historically, its problems have been the problems of other counties in this area. It has rich timber resources which they have been used up without care in the lumbering operations. It has a small coal mining area. Its schools in the early days were founded by churches—the Presbyterian Church, the Reformed Church, the Catholic Church. By reason of the very fact that it is located just adjacent to the richest part of our State, it would seem that it should have and would have had a better chance of development, but the land is not very rich, though it has possibilities for improved use through conservation practices.

The real problem, I think, is communication. Although it is located just next to the bluegrass area, it is almost inaccessible as far as decent roads are concerned. The representatives here are very much concerned and want their problems to be considered by the committee and by the Commission when it is established.

This county of Jackson and two other counties in this area, McCreary and Martin, are especially alike in their problems. They are at the edges, and yet they suffer and have suffered these same problems. The decisions about what shall be done after this legislation is passed will be made by the Commission and by the Governors and their delegates, but I can say that I intend to do all I can to recommend that your county, Jackson, and the other two counties that I mentioned, be given full and fair consideration along with the other counties in this area of Kentucky, I know you have expressed a concern that you will not be given full consideration, so I think it is only fair that you should have this opportunity to place your case on the record.

I am going to call on Father Beiting and Mr. Jess Wilson, who is with the rural electric cooperative of that county, and who is executive secretary of the county improvement association.

Father Beiting, will you state your name, your residence, and something about your work?

**STATEMENT OF FATHER RALPH BEITING; ACCOMPANIED BY JESS WILSON, EXECUTIVE SECRETARY, JACKSON COUNTY (W. Va.) IMPROVEMENT ASSOCIATION**

Father BEITING. Thank you very much, Senator.

Father Ralph Beiting. I am the representative of the Bishop of Covington in the southern section of the State, which would include these 49 counties of Appalachia.

At the present time I am working directly in four of the counties, Jackson County being one of them. It is in this respect that I have been associated with Mr. Jess Wilson, who has been appointed the executive secretary of the Jackson County Improvement Association. Jess has done a considerable amount of work to better the county over many years, particularly in these last years in which the attention of the Nation has been called to the problems of Appalachia.

I would just like to make one or two little comments in regard to the testimony that was given prior by certainly people much more competent than we. Nevertheless, I think that Senator Muskie's question concerning the nature of the environment, as far as production of raw materials and so on—Jackson County, for example, has about 216,000 acres of land; 156,000 of this is in forest area which is 72 percent, and yet a survey that was taken in 1962 indicated that 118,000 acres of this was in very bad need of reforestation and timber management. In other words, 70 percent of the timber that Jackson County had was in need of a program such as the Appalachia bill would be able to produce.

Also, in talking with representatives of the University of Kentucky, especially men like Dr. Swemman, who was one of the geographers for the United Nations, one of the things that he insisted on in eastern Kentucky was that it did not have a pattern of success, that always they had heard planning, they had heard stories of better days, and yet nothing had ever developed, and because of this lack of pattern of success, they were in a very discouraged state of mind.

As Governor Scranton seemed to indicate, if we could get something immediate, so that people could know for once this was not simply a utopian idea, that it had its roots in reality, and in the reality of 1965 and 1966, then there would develop a real spirit of initiative.

Thirdly, I would like to say that the suggestion made by Senator Hart, that perhaps more areas should be brought into the Appalachia bill, that those areas could be best helped if this most chronic area would first prove itself and then the other areas that also need help very badly could say here was an area that was tried and trusted at work; our area could do so as well.

If you put too many in at one time, the chances of any of us getting the desired help, I think, is greatly diminished.

Finally, I know that something that the Senate and the Congress of the United States is not specifically interested in is religion, but I



think that there has been created on the part of this bill a religious atmosphere that is highly desirable in America. Now, I mean by that the spirit of cooperation that is present as a result of this bill and legislation similar to this.

I, myself, while I do represent the diocese of Covington and the entire eastern Kentucky area, in Jackson County our church is very small. In fact, we number at the present time only 1 out of every 1,000 inhabitants, yet when your call came to the county, one of the individuals that they insisted go to Washington was a Catholic priest. Now, I think this is a revolution that is going to take place in Appalachia where the religious elements are going to bond themselves together not as adversaries but as friends, and it is going to create a tremendous revival and renewal of real aspirations on the part of our people.

I know oftentimes this is not brought up, but I think the committee certainly is going to reap a great harvest of benefits from this aspect of the bill.

Now, I think that this is approximately everything that I would like to say. I am sure Mr. Wilson would like to add something on his many years of background. I have only been in the area for 15 years, but Mr. Wilson's family was there—I think they led Daniel Boone into the area, so I know he has been there for quite a long time—at least he is older than I am, anyway.

Senator COOPER. State your name, your residence, and your occupation.

Mr. WILSON. Jess Wilson, executive secretary of the Jackson County Improvement Association.

If Harry Caudill went looking for one man that he could call a 100 percent east Kentucky hillbilly, I suppose I would be that person.

Actually, I had a great deal to do with the first committee that I ever heard talk about the Appalachian Governors' conference. I was the first chairman of that committee at Gatlinburg, Tenn., so I do feel a vital interest in what has happened here today, and possibly the contributions that were made back then, and were talked about years ago.

We in Jackson County, in looking for somebody who is concerned with our problems here, know nobody else who actually has a greater concern for our conditions and for the values.

Senator COOPER. Do you have any specific recommendations either concerning your own county or the program itself? I think you had some concern about inclusion of Jackson County in the roads network.

Father BEITING. Yes. U.S. Highway 421 which connects with Interstate I-75 just a few miles north of Jackson County services the entire center section of eastern Kentucky. I would say at least eight of the counties in this area are vitally connected by this highway with the rest of the country. Without this highway, they are completely inaccessible to any other section of the United States.

Jackson County is the entrance point for this highway into the mountain area, and if any work is going to be done, this would be an ideal section to start with. Many accidents have occurred on this section, and many deaths, and the highway property damage, if prorated against cost of construction, would in itself be a very vital consideration in making the road very feasible.

We also have a great amount of traffic on it. The State highway has estimated that last year in the McKee area alone that nearly 1,700 people an hour go over the highway there; a few miles south it gets as high as 4,000, so it is an area in which we have a great deal of traffic, yet the road is very narrow.

The coal, the timber, the tourism that must come in and out of the area, is solely dependent on this one highway. This is something we feel in Jackson County would be a wonderful step not only for our own county, but for the seven or eight additional and adjoining counties.

Water is also important. We are very much concerned over the Rockcastle River Reservoir which is under the jurisdiction of the Corps of Engineers. This is at the present time in the planning stage, and about \$56,000 has been appropriated by the Congress for survey work on this stream. We feel that there could be untold benefits come not only to this county, but to Rockcastle County and sections of Laurel County and Pulaski County, and so on, if such a reservoir were created.

We have, of course, some of the finest scenery in the country, and again, there is no one to see it, no one to enjoy it, simply because we have not been able to develop it and then to get the access highways into it to make it accessible to the people.

These two big things would, I think, be our major concern.

Senator COOPER. I would like to comment briefly.

First, I do know Route 421 very well and have traveled over it many times. I know it is the outlet for people in Jackson County to get down to Madison County, to Lexington and to the center of the State. I also know that it leads on into Leslie County, Clay County, and indeed other counties up in eastern Kentucky and affords a very quick and good way for ingress and egress.

I agree with you. I think it ought to be included in this network. It is a matter for the Governor of the State. I am going to recommend its inclusion, and I know that you will make every effort that you can.

As to the proposed Rockcastle Reservoir, I do know about it; I introduced the resolution which ordered the survey. It is now in the hands of the Corps of Engineers. The corps will make its report, determining its feasibility, and then Congress will decide whether or not to authorize and appropriate funds for its construction. We have to wait first for the action of the Corps of Engineers.

I think it has been helpful, Senator Randolph, for these representatives of a county in this area, small in population, with less developed communications, although located just adjacent to the richest part of our State. I might note that when you speak of Daniel Boone, we can recall that it was through this county that Daniel Boone entered central Kentucky to establish Boonesborough.

I have been very interested in, as you mentioned, your schools, which were established in the early days by the churches and were very, very good schools. Very great progress has been made there in the field of education, despite the lack of communication outlets and economic development.

Let me say, Senator Randolph and members of the committee, to show the initiative of this county, with one of the lowest per capita income figures in Kentucky, the citizens and officials of this county,



and church leaders such as Father Beiting, formed this improvement association.

It has made a very fine survey of the natural and human resources of Jackson County, with very explicit and accurate information. They are working, and I know and believe that this message and presentation will have consideration. We will do our best.

Father BEITING. We certainly wish to express our thanks to the committee to be heard with the State Governors and Senators. This is certainly far above our element, but I think, too, we contribute the ground upon which they stand, that we know and we are visiting the people in the area. The things they are saying are true and the things that we experience are vital.

I think that what you are doing to help bring this area to its rightful position is certainly going to mean a great deal, not only to our area but to the country and the Nation. We can show the rest of the world we can take our poorest section and make it something fine. Then there is no real reason why the spirit that once made America so great cannot be translated again to all over.

I might add just in 1 second in dealing with Berea College we have many foreign students there and I talked with them since I am the Catholic representative at the college. There they tell us, whether they are from India or from Formosa, China, wherever else they might be, that their problems are so great and they feel that America has lost its initiative, that they feel many times the image for simply a utopian society is gone. Here is a chance where we can show them we still have the energy and real pioneering spirit to keep up the work.

Senator RANDOLPH. Thank you, Father Beiting and Mr. Wilson.

I feel that there is the initiative and the resourcefulness within the area, among the people who live there, to carry these forward-looking programs into reality.

I would paraphrase what the prophet Isaiah said, "A way shall be there for the redemption of His people."

In a sense I think the highways here are going to help these people very, very much. These other programs which you mention are going to aid the men and women who live in the area.

I am very happy that Senator Cooper has provided you the opportunity to speak as you have today.

Father BEITING. We are deeply grateful.

Senator RANDOLPH. There are good folks in those hills and valleys.

Thank you very much.

Mr. WILSON. Thank you.

Senator RANDOLPH. Mr. Holcomb, are you ready to close our hearing with your statement, sir? Identify yourself, please.

#### **STATEMENT OF ROBERT HOLCOMB, PRESIDENT, NATIONAL INDEPENDENT COAL OPERATORS ASSOCIATION**

Mr. HOLCOMB. My name is Robert Holcomb. I am president of the National Independent Coal Operators Association. The members of this association are small coal operators located largely in the Appalachian region. I am speaking for approximately 5,000 such operators who employ about 70,000 men.

The story of distress and poverty in the coal-mining regions of Appalachia is not new; it has been spread far and wide by the news media, by reports of Government agencies and by the hearings of this committee. However, there is a story about the coal-mining industry which very few people know and which bears directly on the future of Appalachia. That is the story of pockets of prosperity in the midst of poverty.

Pikeville, Ky., my hometown, is situated on the Cumberland Plateau, about 300 miles from Washington. Four years ago, people in Pikeville talked about pulling up stakes and moving elsewhere to make a living. Today, Pikeville is experiencing an economic boom, and there is a growing new spirit in the community. Investment is up. A new shopping center, an \$800,000 motel, a \$750,000 bowling center and a Chevrolet center which cost \$250,000 have all been built recently, to mention a few of the more obvious examples. The Pike County News has increased circulation. Pikeville College is prospering, and bankers, builders, and professional men are all optimistic about the future.

How did this come about? Poverty or progress in Pikeville, like many other communities in Appalachia, is based and has for many, many years, been based on coal production. In the report by the President's Appalachian Regional Commission, it is pointed out that coal is the region's "No. 1 material resource," that "much of the Appalachian economy has long been structured around coal mining and its related activities," that "the most promising opportunities for industrial diversification within the region appears to be in localized processing and utilization of coal in conjunction with other resources," and that the Appalachian region is "largely coal country." Despite these well-known facts, the Appalachian bill, which is designed to eliminate poverty in the area, has nothing, and I emphasize, nothing in it which will directly aid the one industry capable of bringing prosperity back to large regions of Appalachia, the coal industry.

The demand for coal has increased steadily since 1960 and promises to double between now and 1980; the domestic market for coal is increasing because of its use by the electric utilities and a vast export market remains to be explored. Coal is in demand. Appalachia has two-thirds of the Nation's coal, yet there is nothing in the bill to help the unemployed realize the potentialities of coal development. You can have highways and byways in and out of Appalachia, but the area will not change until the standard of living rises and the only way to cause the present standards to rise is to provide employment. Coal is the key to employment.

The rise of the small coal operators of Appalachia began in the early 1950's, when miners who had for many years been members in good standing in the United Mine Workers Union found themselves out of work with pension and hospital benefits forfeited and no prospects to earn a living. The UMW sloughed these men off on a Government dole. It has not offered one thin dime to feed or house them. It has advanced no plan—as have, for instance, the far less wealthy meat-packers' unions—to retrain and relocate the men displaced by automation. In the circumstances the only logical and feasible way to make a living was to mine coal and a number of these former UMW miners began mining the thin seams of coal in the areas which the major companies found to be uneconomical. As more and more men were dis-



placed by machines, more and more of these small mines opened and slowly the small mining industry developed a technology of its own. Now these mines use modern equipment specially designed for thin seam mining, engage in extensive safety programs and provide employment at an average daily rate of approximately \$18 per man per day. The safety record of the small mines, as the figures of the State mining departments will demonstrate, is better than that of the large automated mines.

A small coal mine may be started on a capital investment of \$10,000 to \$15,000. That mine will typically employ 8 to 10 men who will support another 50 people directly. That one mine will take 50 people off the relief rolls. Today, these operators are producing almost one-fourth of the Nation's coal.

Despite their growing success these mines are still largely marginal operations. The price of a ton of coal produced by these small operators will average about \$3.85 per ton. Out of this there are production costs of \$3, haulage costs of \$0.50, and preparation costs of \$0.15. Accordingly, the typical profit per ton of coal produced is approximately \$0.20 per ton. This leaves little room to meet sudden market changes.

Yet such changes have been happening in the coal industry. The railroads have recently instituted unit-train volume rates which the small shipper cannot utilize unless he can, in combination with other small shippers, pool production to meet the tonnage requirements of the rate. He cannot do this, however, unless common storage and cleaning facilities are available. Today there are no such facilities available to the small operators. They must be built if the Appalachian coal industry is to survive. I submit that the Congress should amend S. 3 to include section 205(a) of H.R. 1708, introduced by Congressman Jennings, of Virginia, for the purpose of setting up coal development agencies, such as has been provided for timber. These cooperative agencies should have funds available on a loan basis, to establish the central storage and cleaning plants which would save this industry. The cost of a cleaning and storage plant large enough to handle the volume to participate in unit-train operations is approximately \$3 million. Congress will see the direct benefit which will result from such an operation, and, hopefully, will consider expansion of a program which will keep and provide the largest employment in the distressed Appalachian area.

It is obvious to me why, in a bill which is presumably concerned with the ills of Appalachia, there is no mention of coal, the "primary material resource" of the area. The bill contains specific provisions for timber and specific provisions for agriculture, and no provision to encourage the production and marketing of Appalachian coal. The small mines of Appalachia which would be the main beneficiaries of any marketing or development program are largely nonunion mines. They are nonunion not because they are opposed to unionism per se (indeed, their owners are almost all former unionmen), but because the UMW has refused to enter into a contract with these operators except upon the same basis as the contract signed by the giant automated strip and shaft mines which calls for a wage of \$26.25 per man per day and a payment of 40 cents per ton of coal mined into the UMW welfare fund.

If the coal production of the independent mines, the small operators

of Appalachia, were eliminated entirely, then the giant operators would rapidly fill the market themselves, replace the 100 million tons per year produced by the small operators and the UMW welfare fund would benefit by some \$40 million per year. Although there is already being paid into the union welfare fund approximately \$125 million a year, and the fund covers only 60,000 men, none of these men have a vested right in 1 cent of the UMW pension fund. If they are laid off work and go to work for one of the small independent mines then they forfeit all rights in any pension that they might have become entitled to at a later date. Many men have forfeited these rights because they would rather work than stay on relief and wait for their pension. Their industry and initiative deserve the encouragement of the Congress.

The UMW is aware that any provision in the Appalachian bill to encourage coal production would redound to the benefit of the small operators, so help for coal in the pending bill has become a political issue. I respectfully ask the committee to consider the merits of what can really be done to help employment in Appalachia and I ask it to pass a bill which contains the proposed amendment attached to my statement which, essentially, adapts the timber development provisions to coal development. I would further request that the bill be amended at lines 24 and 25 of page 33 to permit the financing of industrial plants, and the purchase of machinery if such financing and purchasing is done through a nonprofit agency.

Senator RANDOLPH. Senator Cooper, I think you would want to comment first, you are interested in this particular type of matter.

Senator COOPER. Mr. Chairman, a few days ago when Mr. Sweeney testified before the administration on this bill, I directed to him some of the questions that have been raised today by Mr. Holcomb. I would not agree with that part of your statement, when you said:

You can have highways and byways in and out of Appalachia, but the area will not change until the standard of living rises and the only way to cause the present standards to rise is to provide employment. Coal is the key to employment.

I think we know that eastern Kentucky and perhaps other parts of Appalachia have had chiefly a one-product economy depending on coal. But we hope that one of the consequences of this bill will be that roads are constructed and airports are built, and that, when there is greater flood protection and development of the water resources, it will be possible to build a more viable economy in this area to provide larger employment and induce local investment, as well as attract outside investments.

Mr. HOLCOMB. Senator Cooper, I would like to make it plain that we do support highways and we do support the positions of this bill and are very much in favor of it, but we think it is derelict in its duties when coal is left out of it.

Senator COOPER. As I said to Mr. Sweeney the other day, I have felt for a long time, although I support the bill strongly, that there is a tendency in the administration to leave the policy of direct development assistance to eastern Kentucky and perhaps the other regions to existing programs, while establishing a better overall framework in this bill. I have supported all of these programs such as the Area Redevelopment Act, the Economic Opportunity Act, and



now the Appalachian Development Act, with the purpose of creating more opportunities for employment in this area, and providing better living standards and better opportunities.

On the other hand, for the people who want to work and live there, as Senator Randolph knows, there are other policies of the Government which have struck at coal, which is the chief industry in the area, and I think will continue to be, at least for many, many years.

I won't go over all of them, such as the policy on residual oil. I am not here to argue whether residual oil should or should not be imported, but in recent years their quotas have been steadily increased, not simply to give residual oil the opportunity to capture its part in the new markets but to give it the whole market.

I know also that by reason of the facts you have stated, there is a growing concentration of the coal industry in a few large companies with the funds and capacities to buy at least large acreages of coal land, to install this tremendously expensive labor-saving equipment, and thereby, because they can produce greater tonnages of coal, to secure the railroad spurs which will enable them to load full trainloads of coal. As you say, that will result in lower freight rates for the large companies, reducing the competitive opportunities of smaller companies.

As I said before, if this continues to happen, then you will have a few companies located in a few areas of this region. The result will be the destruction of the smaller companies which now produce over half the coal and are located throughout the area, and which sustain not only the operators but the thousands of employees and their families, the local communities, the merchants, the bankers, and provide a major tax base. The communities and the companies will be seriously threatened, if not destroyed.

Now I have thought if there could be some provision which would enable the smaller operator to join together and get assistance to build these expensive types of machinery, such as coal cleaning equipment, and to secure then the railroad spurs which would enable you to load full trainloads of coal and thereby enjoy a lower freight rate, it would in fact preserve the existing economy in many, many of these counties.

I don't think the administration or the Congress have given thought to this proposal, and I believe great weight ought to be given to your suggestions and presentation.

This is no new position. I have argued it for many years. You have said you cannot get consideration for these proposals in the executive branch and have gotten very little in the Congress. The United Mine Workers is a great union, it has done a great deal for its employees and should be treated fairly, but this subject is a matter of collective bargaining.

If they cannot persuade these other miners to join their unions, it is a matter of collective bargaining, and the smaller coal companies ought not to be penalized because of this fact. I think it is very hard for people who do not know anything about the coal industry to visualize what you have been talking about and the situation we in the area have known for so many years.

We can look at the area and see that the inevitable result of all of the present policies would be to establish great coal companies here

and there at a few places throughout the area, and so destroy the small coal mines located generally throughout the area. If that happens in the next few years, the whole region will be in a very much worse condition.

Mr. HOLCOMB. One thing I would like to point out in advocating this amendment to this bill is the fact that in Pike County, Ky., in the last 5 years we have created approximately 3,500 new jobs in small mines. Now the concept of unit train transportation has come along. Not only the 3,500 new jobs—there were approximately that many there—are in jeopardy because these small mines do not have the facilities to participate in unit train shipments, and they are in danger of obliteration.

One of the things we had hoped to accomplish would be to start through this amendment to this bill on a small mine coal cooperative basis to the establishment of coal cooperatives so that not only the existing people who are employed but more people could be given work.

We feel strongly if we can get these cooperatives into operation that in the next 4 or 5 years the employment in small mines throughout the Appalachian area will be doubled or tripled because coal production in the Nation as a whole is going to go up, and that is the one big reason that we would like to see this amendment added.

Senator COOPER. I will ask you this question.

Can you tell the committee how many of the total miners employed in eastern Kentucky are employed in the type of mine you represent? What percentage of the coal production is produced by these mines?

Mr. HOLCOMB. At the present time approximately 71 percent of the production which is produced in these small mines, and they have about 90 percent of the total labor force.

Senator COOPER. Do you know how many men are employed?

Mr. HOLCOMB. Throughout the small mines are concentrated chiefly in eastern Kentucky, and there are some 23,000 men employed in them at the present time.

Senator COOPER. What is your record for safety?

Mr. HOLCOMB. We set a new safety record in 1962 and another one in 1963, another one in 1964.

Senator COOPER. Does it compare with the record of safety in the large mines?

Mr. HOLCOMB. Our record is better.

Senator COOPER. What is it?

Mr. HOLCOMB. Title 1 and title 2. Our record is much better than the record in title 2 mines.

Senator COOPER. I am sure that will be argued forever.

Mr. HOLCOMB. I imagine it will be.

Senator RANDOLPH. We thank you very much for your testimony, Mr. Holcomb.

Senator Cooper, you have brought out for the committee the so-called small mine operations in Kentucky and other areas of the Appalachian region are very important in the production of this product. It is not a small industry, it is a big industry, but it is made up of small units, just a few men working in the mine; is that correct?

Mr. HOLCOMB. Yes.



Senator RANDOLPH. Thank you very much for your helpful testimony. Your recommendations will be considered in the executive session of the committee, I assure you of that, sir.

The hearings on Senate 3 are now concluded.

We will receive additional statements from our colleagues in the Senate and the House of Representatives. These, and statements from other interested persons, will be received until 4 o'clock tomorrow afternoon.

We also have a letter and statement which will be included in the record from Governor Tawes of Maryland, a telegram from Governor Rhodes of Ohio, a statement from Governor Harrison of Virginia, and two statements from Senator Nelson of Wisconsin.

Senator COOPER. Mr. Chairman, might I ask that there be included in the record this report by the Improvement Association of Jackson County called Natural and Human Resources. I think it is quite representative of the situation in these counties and also reflects the local interest of the counties.

Senator RANDOLPH. Yes, that material will be included, Senator Cooper.

(The statements and material referred to follow:)

ANNAPOLIS, MD.,  
January 22, 1965.

DEAR SENATOR RANDOLPH: Inasmuch as I have already testified on the Appalachian Regional Development Act, I will not take up the time of your committee by appearing in person, but am forwarding my views in the enclosed statement.

As you know, we in Maryland have waited a long time to see the ideas embodied in this legislation become a reality, and have ever been in the forefront of those who have urged its passage. It will mean new life and new hope for those of our citizens living in the western part of our State.

The State of Maryland is already well advanced with its plans to implement this legislation as soon as it becomes law. For the past several years the Maryland Department of Economic Development has been working with the economic development agencies of our three western counties in perfecting the procedures that will enable us to make the best possible use of this new legislation.

The promise of this much-needed aid has been dangled before our people for over 4 years. Now is the time, not for words, but for action. I urge the passage of this bill with all the forcefulness at my command.

Sincerely yours,

J. MILLARD TAWES, *Governor.*

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STATEMENT BY J. MILLARD TAWES, GOVERNOR OF MARYLAND

Mr. chairman and members of the committee, this is a day I have looked forward to for 4 years—4 years ago yesterday, on May 20, 1960, the first conference of Appalachian Governors was held at my invitation in Annapolis, Md.

In my opening address to that conference, I made this statement: "Nothing significant can be accomplished for our distressed counties of western Maryland except as part of a program whose aim would be to rebuild and revitalize the economy of the entire Appalachian region."

Today this committee has such a program before it. It is a program which has been evolved during the past 4 years through continuing effort by the Appalachian Governors conference and the Federal Government. It is a program which has been developed from the bottom up, not from the top down. It is a program based on the recognition by the Governors of 10 States that they shared a common problem which could only be solved by common action.

The conditions in the Appalachian area are familiar to all of you, and I will not take your time to detail them here. At that meeting in Annapolis 4 years ago I said: "It is shameful and intolerable that in this year, 1960, there should be children in the United States who are dying of malnutrition, and entire families who are living on a government subsistence handout which is only 30 percent of minimal nutritional needs. It is intolerable that we should have

whole counties where the yearly family income is less than \$400, and where children can't go to school because of lack of clothes and shoes."

These feelings have been echoed many times since then, and I know that they underlie President Johnson's deep and burning desire that something finally be done to eliminate the appalling conditions which are plainly visible to any traveler in Appalachia.

To me one of the most significant features of the present bill—in addition to its being based on a cooperative Federal-State-regional approach—is the fact that it is aimed specifically at the causes, and not merely the symptoms, of the economic distress of the region.

If you will permit, I would like to quote again from the address which I made before the first conference of Appalachian Governors 4 years ago. "We can never," I said at that time, "arrive at a permanent solution to the problems of the Appalachian region until we stop thinking of the mountains as a 'distressed area' and begin to think of them as an underdeveloped region with vast untapped human and natural resources—a region that can only find its rightful economic level through a plan of overall economic development, programed for a period of 5, 10, or even 20 years. This program must not only deal with the basic problem of correcting the growing imbalance between manpower and job opportunities, but should also concentrate on the building of new highways, flood control projects, and \* \* \* increasing educational and vocational training levels throughout the region."

This approach, I am happy to say, is exactly the one to be found in this bill.

In that connection, I am especially pleased to note the emphasis which this bill has placed upon highway construction. Here we see an approach to road-building that was first developed by the ancient Romans—the use of roads not simply to serve traffic already there, but to open up a region for economic development and growth.

Isolation has long been the curse of Appalachia. The high mountains running north and south effectively blocked the region from the primarily east-west flow of American economic development. Highway and rail builders usually found it easier to bypass Appalachia than to traverse it. Only a good, modern road network can end this age-old condition.

And this condition must be ended, not only for the good of Appalachia, but for the welfare of the trading areas that lie east and west of the mountains. Our port of Baltimore, for example, would benefit greatly from increased economic activity in Appalachia—activity which would provide products for export from the port and an interior market for goods and supplies coming into the port.

As a Governor of a State which has three counties in the Appalachian region, I can only add my own voice to the call for urgency which has been sounded so clearly by our President.

The people who live in the Appalachian area are no strangers to promises. They have stood on their street corners and outside their homes for many a year in the past and listened to the brave promises of well-meaning candidates for political office.

All too often these promises have turned to ashes, not because they were insincere, but because, once in office, the former candidate found himself powerless, with the limited means at his disposal, to accomplish anything truly meaningful for the people of Appalachia.

No State has the resources to cope with conditions that are as widespread and as economically deep seated as we find in Appalachia. This is why the present program is so desperately needed. This is also why the people of Appalachia—for the first time—have permitted themselves to believe that at last something effective is really about to be done.

I travel frequently in the three Maryland counties in the Appalachian region, and I can assure you that the usual skepticism of the people has been put aside as far as this program is concerned.

They have faith in President Johnson and in this Congress.

As far as this bill is concerned, they have laid aside their normal protective shield of pride and silence. They have exposed themselves and their plight for all to see. It would indeed be a cruel hoax if we let them down now when their hopes are highest.

Before closing, I would like to quote once more from my address before the first conference of Appalachian Governors in 1960.

Incidentally, I quote from these remarks not because I am fascinated by my own words, but to make the point very clear that this bill represents something



which was originated by the Appalachian region itself, and is a true example of cooperation of government at all levels—Federal, State, and local.

We who have portions of our States in the Appalachian region consider this bill to be our bill, not a Federal Government bill.

We conceived the regional approach, we formed the pilot organization, and we hammered out the details of the bill in meetings in Cumberland and Hagerstown and Pittsburgh and Charleston and Lexington and Atlanta—not in Washington, D.C.

But to get to the quote. These were the closing words in that 1960 address: "I believe that the time is ripe for the launching of some forceful interstate action in regard to the pressing problems of the Appalachian region, and I am most hopeful that this conference today will be the seedbed out of which will grow a new awareness of our obligations to the mountain areas of our States."

Now, 4 years later, that wish has been fulfilled. This bill which you have before you has grown from that seedbed. I cannot urge you too strongly to take the steps needed to make this seedling live and flourish for the lasting benefit of Appalachia.

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COLUMBUS, OHIO, *January 21, 1965.*

Hon. JENNINGS RANDOLPH,  
*U.S. Senate Committee on Public Works,*  
*Washington, D.C.*  
(Attention, Richard B. Royce) :

With the full realization that certain portions of southeastern Ohio desperately need economic development, Ohio, approximately 1 year ago, embarked on an Ohio Valley region program. This area coincides with the presently termed "Appalachia."

This program was conceived prior to the time that Ohio committed itself to the Federal Appalachia program. Therefore, even though the proposed legislation for the appalachian area was not acted upon, we have continued with our program.

However, the proposed legislation on Appalachia can be of significant import to the area. We are therefore hopeful that with full recognition of the States' responsibility, it will become law in this session.

Four Ohio counties, Carroll, Tuscarawas, Coshocton, and Holmes, contiguous to and economically identical to the existing Appalachia counties, should be included in the program. We ask that these counties be included in the defined Appalachia area.

JAMES A. RHODES, *Governor of Ohio.*

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STATEMENT BY ALBERTIS S. HARRISON, JR., GOVERNOR, COMMONWEALTH OF VIRGINIA

Mr. Chairman, and other distinguished members of the committee, I am grateful for the opportunity to make this statement. I regret that I cannot appear in person.

I have endorsed generally the objectives of the Appalachian Regional Development Act, for I am of opinion that many of the proposals will promote the growth and development of the Virginia Appalachian counties, and the entire Appalachian region. While there are areas in Appalachia whose economy is at a low ebb, I feel it unfortunate that the "depressed" label has been applied to such a large area of our Nation. The Appalachian region is not homogenous; there are areas of very considerable prosperity while others are relatively depressed. The value of this program is that it represents a concerted effort in attempting to alleviate the conditions found in the Appalachian region. By and large, many past efforts, though sincere in purpose, have not been able to solve the region's difficulties simply because they tried to cope with only one aspect of the problem. This bill holds promise since it brings together and accelerates the efforts of many Federal and State programs now in existence. The necessary essentials for improving the development potential of Appalachia are covered by the act. I agree that the Appalachian program should remain separate from the pending "poverty bill."

My executive assistant, Mr. Joseph G. Hamrick, will be the Virginia representative on the Appalachian Regional Commission and I assure you of his continuing interest in this program.

I favor and shall support any sound program that will expedite the construction of modern, safe, and adequate highways in the Appalachia area. Certainly,

there is no area of greater importance to the development of the region than a vigorous and well-balanced highway program. Industrial development and the industry of tourism cannot be promoted without adequate network of roads. The 1964 session of the Virginia General Assembly provided for the beginning of a new network of arterial highways, a system of main, dual-lane roads intended to complement and serve large areas not covered by the Interstate System. A high percentage of this arterial mileage was allotted to the southwest Virginia area. The development highway system as proposed in section 201 of this bill, when coupled with our regular programs, will provide safe and efficient transportation facilities into the heart of our most inaccessible Appalachian areas. The Appalachian Regional Development Act of 1965 can be of inestimable value to Virginia if the highway funds available to this State under it can be expended to expedite the construction of this arterial system.

With reference to section 202 of title II of the proposed act, we have a well-organized and well-directed public health program in Virginia, but admittedly we do not have in southwest Virginia sufficient numbers of physicians, nurses, dentists, or other health personnel. For example, there is only 1 M.D. for every 5,000 people, as compared to the national average of 1 for 700. Additional health personnel need encouragement to locate in the area, and those already located there need auxiliary personnel in the care of patients. The development of medical clinics, home nursing care programs, and the provision of additional financial assistance for required hospitalization obviously are steps which can alleviate these conditions.

The basic structure to develop these proposals already exist in Virginia through complete coverage of this area by full-time local health departments.

A preliminary survey of the 106 communities in the 7-county area revealed that only 12 have approved sewage treatment facilities. For example, 8 communities discharge all or a portion of their sewer wastes directly to the Big Sandy River; 24 to Clinch River; 8 to Guest River; and 28 to Powell River. Based on conservative figures, it is estimated that at least 1,500,000 gallons of untreated sewage per day are discharged into secondary streams or directly into these 4 rivers. The provision for grants under section 212 will be of considerable benefit.

Public water supplies are not available in 36.7 percent of the communities. Public water supplies in the remaining 67 communities vary in adequacy and degree of treatment.

Sections 203 and 204 of title II refer to programs for improving the economic level of our farmers. Agriculture and related activities have long been of vital importance to our economy in Virginia. For example, the designated counties in Virginia included in the Appalachian region possess a natural ability to produce bluegrass. This grass is one of the most desirable and easily established forage crops in the area. The bill's provision to improve pasture should be an aid to small landowners desiring to increase, as well as diversify, livestock production.

While investment in the highways, waterways, the soil, timber, and recreational resources is of strategic importance in the development of the Appalachian area, it provides only a partial answer to the future of this region. In the final analysis it is the people who make a region, a State, or a nation truly great. We can build a more vigorous Appalachian region only as the human resources are developed.

The fundamental key to the development of these resources is education. Section 211 of the bill provides some needed assistance in this direction. Through sound education aspirations are raised, the dignity of the individual is enhanced and his spirit is quickened, knowledges and skills for effective citizenship, including vocational competency, are acquired, the development of a concept of the good life is fostered, and doors to unlimited opportunities are opened.

While progress in education in the Appalachian region is constantly being made, the skills and knowledges of its people have not kept pace with the benefits and vocational opportunities afforded by the rapid growth of industry and technology. The rate of improving education in this area must be accelerated. For the year 1963-64, 20.2 percent of the accredited high schools of the Appalachian region in Virginia offered courses in industrial education; more than 50 percent offered courses in agricultural education; almost 50 percent provided work in business education; more than 25 percent provided courses in distributive education; and more than 90 percent offered home economics. Apprenticeship-related instruction was provided through evening programs in one-sixth of the high schools. Instruction under the manpower development and training program has been provided for more than 240 unemployed adults. Two area vocational-technical schools are located in this region.



The high school dropout rate in the Appalachian area exceeds slightly the rate for the State as a whole. The percentage of high school graduates of the region entering college is less than that for the State. The percentage of persons 25 years of age and over who have not completed the fifth grade of school is well above the percentage for the State and the Nation.

The Commission on Vocational Education in its 1963 report to the Governor and the general assembly presented forcefully the need for more persons trained as skilled craftsmen and technicians. The Commission further set forth recommendations for strengthening instruction in vocational education at the high school level, developing on a pilot study basis special courses for potential dropouts and courses involving a study of clusters of closely related occupations, and establishing additional area vocational-technical schools. Although time does not permit more detailed discussion, it is obvious that there is great need in the Appalachian region for expansion of vocational education for high school students and adults. There is also a great need for expanded programs for teaching out-of-school youths and adults basic skills in order that they may be better prepared to benefit from instruction in vocational education.

Suitable and remunerative employment is clearly an essential solution to the problems of low-income or disadvantaged people able to enter the labor market. Several counties in southwestern Virginia have substantial numbers of both men and women without any encouraging prospect of finding jobs through their own efforts, but who are readily adaptable to work opportunities if work can be found for them.

Such people form a reservoir of unutilized manpower, and their referral to gainful employment would contribute immeasurably to their own status and satisfaction in life, as well as to the prosperity of their community and State.

While the Employment Service cannot create jobs, it can be effectively instrumental in searching out vacancies which exist, in helping to attract new industries, and in guiding jobseekers to appropriate openings with a minimum of wasted effort. I therefore agree that adequate services for registration, counseling, and placement responsibilities are indicated and would be beneficial.

It is recognized that the water resources of the Virginia portion of Appalachia can contribute toward improvement in the general economy. Projects involving flood control, pollution control, and water-oriented recreation would be helpful in advancing the economic health of the region.

The encouragement of timber growth through improved fire control and extension of access roads and trails is a desirable objective in Appalachian Virginia.

Acceleration of State programs in topographic and geologic mapping would be desirable in developing the mineral resources of the region.

Whenever the subject of water resources is discussed, the question of public power always arises. I am opposed to any development of electric power facilities by public owned, nontaxpaying bodies.

Water resource development should embrace only recreation, conservation, and flood damage prevention. The efforts of the President's Appalachian Regional Commission can most constructively be directed to improving the needs for transportation, education, health, recreation, agriculture, and human uplifting.

With reference to the general provisions of title II, part C, I can assure the committee that Virginia will not reduce the expenditure of public funds in this region of our State.

Section 222 of the act is a wise provision in that it properly gives each State and political subdivision the power to decide if it shall engage in or accept any program. Surely, not every proposal will be suitable for every Appalachian State.

Apparently, under title III, the operation of local development districts is regarded as a key proposal in this legislation. However, for such local development districts to participate financially would require enabling legislation by the General Assembly of Virginia, and a State-issued charter to such districts. I cannot here speculate on what action the Virginia legislative body will take when it meets next in regular session in 1966.

In the preparation of this statement I have deliberately avoided commenting on all provisions of the proposed legislation. I am very conscious of the fact that, with the exception of a few counties in southwest Virginia, the need for the assistance and aid contemplated by this bill is not imperative in Virginia. However, I am equally as conscious that there are areas in other States where the need is critical, and if it is to be alleviated bold, positive, and imaginative action must be taken.

The southwestern part of Virginia is inhabited by an alert, intelligent, and ambitious people. It is rich in natural resources and has as great a potential for industrial development as any area in the United States. Its mountains, streams, and forests are among the most beautiful in the world. It should be a mecca for tourists. An acceleration of the construction of Virginia's arterial highway system, an improvement in existing educational facilities, the prompt inauguration of vocational and technical training, adequate public health facilities, together with a realistic public works program, will provide the necessary stimuli, and result in full development of the Appalachian region in Virginia.

The success of the programs envisioned by the Appalachian Regional Development Act of 1965 depends upon their administration, and the extent to which they are coordinated with and supplement existing programs that are already in effect in the various States that constitute the Appalachian area.

There is little that this bill envisions that is not already being undertaken by existing agencies of the Commonwealth of Virginia. If the work of these agencies, and the programs now underway, can be augmented and hastened to conclusion, we feel very strongly that the problems of our Appalachian area will be solved.

Again, I express my appreciation for this opportunity to present these views.

U.S. SENATE,  
Washington, D.C., January 20, 1965.

Senator JENNINGS RANDOLPH,  
Senate Office Building,  
Washington, D.C.

DEAR SENATOR: I am enclosing a copy of my amendment to the Appalachia bill which would authorize immediate action planning for regional development in up to six other depressed areas of the country.

My amendment would amend the Appalachia legislation simply to authorize immediate planning for no more than six other regions which generally meet the criteria established in the statement of purpose of the Appalachia bill approved by the Senate last year.

The amendment would not establish new commissions nor authorize major expenditures. It would only provide \$10 million for immediate planning which could help other qualified depressed regions to prepare carefully drafted plans and proposals, as was done in the preparation of the Appalachia bill.

No more than \$2.5 million could be spent on regional planning in any one area.

The planning would be authorized only if the basic research and public sentiment of the region were sufficiently solid so that a viable action plan for development could be produced in 18 months.

My amendment is now before the Senate Public Works Committee. I hope that you will have a chance to review it. If there are any questions, I would be glad to try to answer them. Of course, I would welcome your support.

Sincerely yours,

GAYLORD NELSON, *U.S. Senator.*

On page 1, strike out lines 3 and 4 and insert in lieu thereof the following:

## "CHAPTER 1—APPALACHIAN REGIONAL DEVELOPMENT

### "SHORT TITLE

"SECTION 1. This chapter may be cited as the 'Appalachian Regional Development Act of 1965', and all references in this chapter to this Act shall be held to refer to this chapter."

At the end of the bill add the following new chapter:

## "CHAPTER 2—REGIONAL ACTION PLANNING

### "TITLE V—REGIONAL ACTION PLANNING ACT OF 1965

#### "SHORT TITLE

"SEC. 501. This chapter may be cited as the 'Regional Action Planning Act of 1965'.



“STATEMENT OF PURPOSE

“SEC. 502. The Congress recognizes that many regions of the country, while abundant in natural resources and rich in potential, lag behind the Nation in economic growth so that the people of such regions have not shared properly in the Nation's prosperity. Often a region's uneven past development, with historical reliance on a few basic industries and marginal agriculture, have failed to provide the economic base vital as a prerequisite for vigorous self-sustaining growth. In some cases the uneven distribution of productive Federal expenditures has left regions at a comparative disadvantage. Nonetheless, in many areas of the country the State and local governments and the people of the region understand their problems and have been and are prepared to work purposefully toward their solution. It is the purpose of this chapter to assist such regions in meeting their special problems and promoting their economic development by helping to develop policies and programs for Federal, State, and local efforts essential to an attack upon common problems through a coordinated and concerted regional approach.

“REGIONAL ACTION PLAN ADMINISTRATOR

“SEC. 503. (a) The provisions of this chapter shall be administered by a Regional Action Plan Administrator (hereinafter referred to as the ‘Administrator’) in the Executive Office of the President. The Administrator shall be appointed by and with the advice and consent of the Senate and shall be compensated at the rate provided for level IV of the Federal Executive Salary Schedule.

“(b) The Administrator may, subject to the civil service and classification laws, appoint and fix the compensation of such officers and employees as may be necessary to carry out the provisions of this chapter.

“DETERMINATION OF REGIONS

“SEC. 504. (a) The Administrator shall designate areas representing two or more contiguous States as a region for Federal-regional action planning pursuant to this chapter upon determining that—

“(1) such region lags substantially behind the rest of the Nation in its economic growth, and its people have not shared properly in the Nation's prosperity;

“(2) such region's uneven past development has failed to provide the economic base that is a vital prerequisite for vigorous self-sustaining growth;

“(3) State and local governments and the people of the region understand their problems and have been and are prepared to work purposely toward their solution; and

“(4) region-wide development is feasible, desirable, and urgently needed.

“(b) The Administrator may designate not to exceed six regions pursuant to subsection (a).

“(c) The Administrator shall assign an appropriate department or agency of the Federal government the responsibility for developing a Federal-regional action plan pursuant to this chapter for each region established pursuant to subsection (a). Such plan shall be developed with the participation of other Federal departments and agencies which in the Administrator's opinion can make a substantial contribution, and with representatives from each State involved.

“(d) The Administrator shall review economic information relating to the various regions of the Nation so as to determine the relative position of such regions, as compared with the rest of the Nation, in terms of unemployment, underemployment, out-migration, rate of economic growth, percentage of the population receiving welfare payments, family income, and such other economic indices he deems relevant to the purpose of this chapter.

“PLANNING ASSISTANCE

“SEC. 505. (a) The Administrator may make grants to any department or agency assigned pursuant to section 504(c) for the development of a Federal-regional action plan which is consistent with the purpose of this chapter and will—

“(1) be completed prior to the date which is one and one-half years after the date of enactment of this Act;

“(2) provide for the development, on a continuing basis, of comprehensive and coordinated plans and programs for the region, including plans for land

and other natural resource use and public works, and establish priorities thereunder, with due consideration to other Federal, State, and local planning in the region ;

"(3) provide for investigations, research, and studies, including where necessary inventory and analysis of the resources of the region, and in cooperation with Federal, State, and local agencies provide for demonstration projects designed to foster regional productivity and growth ;

"(4) provide for the review and study, in cooperation with the agency involved of Federal, State, and local public and private programs and, where appropriate, the recommendation of modifications or additions which will increase the effectiveness of such programs and assist in their financing ;

"(5) provide assistance in the formulation of necessary and helpful State and local laws and, where appropriate, interstate compacts, and make recommendations for other forms of interstate cooperation ;

"(6) provide for the support of existing local development districts and encourage the formation of such districts where needed by providing technical assistance and assistance in the financing of a professional staff and administration ;

"(7) provide for the encouragement of private investment in industrial, commercial, and recreational projects ;

"(8) provide a forum for consideration of problems of the region and proposed solutions and provide for the establishment and utilization, as appropriate, of citizens and other special advisory councils and public conferences ;

"(9) provide for the formulation and recommendation to the Congress of a program of development projects with proposals for Federal participation in the funding ; and

"(10) provide that all such activities will be carried out by or through a single agency which will serve as a focal point and coordinating unit for Federal, State, and local programs in the region.

"(b) As a condition to making any grant pursuant to this chapter, the Administrator may require the making of such reports, in such form and containing such information, as he determines necessary to carry out his functions under this chapter. He may also require the keeping of such records and the affording of such access thereto as is necessary to verify such reports.

"(c) No grants pursuant to this chapter shall be made for the development of a plan for any one region in excess of a total of \$2,500,000.

#### "GENERAL AUTHORITY

"SEC. 506. Any department or agency assigned the development of a Federal-regional action plan pursuant to this chapter may for the purpose of such development—

"(1) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency, and pay for the same ; and

"(2) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

#### "FEDERAL PERSONNEL ASSISTANCE

"SEC. 507. At the request of any department or agency developing a plan pursuant to this chapter, the head of any other department or agency may detail to temporary duty, on a reimbursable basis, with such agency such personnel within his administrative jurisdiction as such agency may need in developing such plan. Such temporary duty shall be without loss of seniority, pay, or other employee status.

#### "REPORT

"SEC. 508. Not later than six months after the completion of any Federal-Regional Action Plan pursuant to section 505, the department or agency developing such plan shall prepare and submit to the Governor of each State in such region and to the President, for transmittal to the Congress a report on such plan.



## "CONSENT OF STATES

"SEC. 509. Nothing contained in this chapter shall be interpreted as requiring any State to engage in or accept any program under this chapter without its consent.

## "APPROPRIATIONS AUTHORIZED

"SEC. 510. There is authorized to be appropriated not to exceed \$10,000,000 to carry out the provisions of this chapter."

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STATEMENT BY HON. GAYLORD NELSON, A U.S. SENATOR FROM THE STATE OF WISCONSIN, ON THE HART AMENDMENT (TO PROMOTE THE DEVELOPMENT OF A BY-PASSED AREA: THE NEED FOR AN UPPER GREAT LAKES REGIONAL DEVELOPMENT AUTHORITY)

I am again happy to cosponsor legislation to assist in the development of the Appalachian region. We have had ample evidence that this region has been bypassed by our country's prosperity. We have read the statistics and heard the testimony which details the destitution and despair existing in many communities of Appalachia.

Last year we witnessed the opening of the President's war on poverty with the enactment of the Economic Opportunity Act of 1964. This year we can extend the battle lines with the early approval of this bill.

The 11-State Appalachian region is not, of course, the only region which needs assistance. President Johnson recognized this in his state of the Union address when he proposed "a new program to develop regions of our country that are now suffering from distress and depression."

Appalachia is, perhaps, the largest area to require a regional assistance program, but other smaller areas also require this coordinated approach. The three-State area of the Upper Great Lakes is one of these regions. Northern sections of Wisconsin, Michigan, and Minnesota make up this region. It, too, has been bypassed by prosperity.

Since it also is a bypassed region, I urge that the committee amend the Appalachian bill to permit the establishment of an Upper Great Lakes Regional Authority similar to the Appalachian Regional Commission.

I have been concerned about this area for years. Many others in the Congress, in the Federal Government, and at the State and local level have tried to find ways to help this beautiful but economically depressed region. Conferences have been held, reports written, and industrial development groups formed. The Area Redevelopment Administration, the Department of Agriculture, the Department of the Interior, and the Housing and Home Finance Agency are some of the Federal agencies which have provided loans or grants or technical assistance. Many of these efforts have paid off in job creation and the restoration of natural resources which have been plundered in the past.

Nevertheless, much remains to be done. Unemployment much higher than the national average persists. An unemployment rate three times the national average is not uncommon in this region in the winter months. A year ago the Upper Peninsula of Michigan had an unemployment rate of 14.6 percent. The last detailed census figures taken in 1960 showed a regional unemployment rate of 8.6 percent compared to 7.1 percent for Appalachia, a rate 20 percent above that of Appalachia. Families in the poverty class—under \$3,000 in annual income—are 25.9 percent of the population as compared with the national share of 21.4 percent.

Because of the fall of job opportunities, the younger people are leaving the north woods. The aged remain. In my own State of Wisconsin, current estimates show that over 80 percent of the area included in the upper Great Lakes region lost population in the last 5 years. This area now has only about 7 percent of the population of Wisconsin, yet its share of the number of recipients of State public assistance for the aged is 17 percent.

Figures for last year show that the overall dependency rate for this area is 5 percent higher than its share of the State population. These figures do not show, however, how hard it is for the people of the north woods to turn to public welfare. They have always been proud of their homes and schools and communities. Their homes only now are beginning to show signs of neglect due to lack of funds. But the decline of an area's major industry inevitably spreads

blight and poverty. The railroad stops operations and more men are out looking for nonexistent jobs.

The economic decline experienced in the upper Great Lakes region is similar in some ways to that experienced by Appalachia. Its wealth was concentrated in timber, fishing, and iron ore as Appalachia's was concentrated in coal. The exhaustion of these resources of the area combined with foreign competition have had tremendous impact. The timber of this region can no longer be counted a resource which can generate added employment, and although valuable mineral resources remain, rapid advances in mining techniques limit the possibilities for a large-scale recovery in mining employment. For example, the opening of new taconite plants which make use of low-grade ore will undoubtedly raise employment in the region, but not as much as once was claimed. As the Federal Reserve Bank of Minneapolis said in its May 1964 Monthly Review: "When taconite pellets were first produced in commercial plants, it was estimated that two and a half times as much labor would be required to produce a ton of pellets as was required to produce a ton of natural ore. But with the rapid rise of labor productivity in taconite plants, it now takes no more man-hours to produce a ton of taconite than a ton of high-grade ore upgraded by an elementary method beneficiation."

Technology has, of course, also affected agricultural employment. The typical trend in agriculture across the country has been toward fewer and larger farm units employing fewer farm workers. The upper Great Lakes region differs from this trend in that there has been substantial abandonment of farmland. Unlike the fertile southern part of the Great Lakes States, the land is poor and difficult to combine into large economic units.

The farmers do not have the steep slopes of Appalachia to contend with, but they must skirt lakes, bogs, and rock outcroppings. The growing season is relatively short and cool. The soils are not noted for their fertility. The small farmers eke out chronically low farm incomes.

When first settled for farming, the land was filled with charred stumps left over from the unrestrained activities of the lumbering companies and ensuing brush fires. Nevertheless, land speculation preyed upon the pocketbooks of the land hungry. Hopeful and hardy people undertook to fight the stumps and rocks. In the 1920's, an attempt was even made to have the Federal Government provide free dynamite to the settlers to help remove the stumps and boulders.

Some of the problems of the area today can be traced to the encouragement of farming on land which might best have been allowed to return to forest. As in Appalachia, early settlers attempted to grow crops on steep hillsides which the Indians had wisely left to the forest.

Now we realize that in both regions forest products and tourism may well be the most productive cash crops that may be harvested from the land. But both crops will require a good deal of cultivating. Damaged land must be recovered and reforested. Streams must be cleared of pollution.

The Appalachia bill recognizes the need for resource rehabilitation. It provides help to renew Appalachia's forests, water, and land. Financial assistance is provided to fill voids in abandoned coal mines and to repair the ravages of strip mining. The upper Great Lakes region has not been strip mined, but mines have been abandoned and in certain places the land is sinking because of the deep holes which riddle the earth. It needs similar help.

The upper Great Lakes region is more fortunate in its water resources than Appalachia. Its myriad lakes and streams provide over 3 million acres of water surface which is relatively clean. But the region is in danger of seeing its blue waters exploited as its other great natural resources have been exploited in the past. At one time the supplies of virgin timber in the northern parts of Wisconsin, Michigan, and Minnesota were thought to be limitless. It took 60 years to harvest the tremendous stands of white pine, birch, hemlock, and maple but our ancestors did the job with great thoroughness leaving a virtually barren land. We must prevent careless or cynical exploitation of our water resources which are also touted as "limitless." No one locality or one State can protect the purity of its waters by itself. A regional approach must be used to protect and renew this great resource.

This region is near great and growing metropolitan areas where millions are imprisoned by concrete and steel and deafened by the roar of traffic and commerce. The north woods can find new economic vitality by developing its possibilities for outdoor recreation. Its clear waters and green forests can provide countless numbers with relaxation and inspiration. As President Johnson has



said, "For over three centuries the beauty of America has sustained our spirit and enlarged our vision."

In mid-1963, the six Senators representing the three States of this region began discussions with local business and civic leaders looking toward a new development approach. Vice President Humphrey was one of these Senators. On September 25, 1963, President Kennedy addressed a Land and People Conference called by Secretary of Agriculture Freeman in Duluth. He stated:

"I would like nothing better than to sit down with the leaders of Minnesota, Wisconsin, and Michigan to discuss a regional program for economic development in the upper lakes area \* \* \*. Our goal must be a cooperative effort. It must cut across Federal jurisdictions and State boundaries."

Shortly before his death, definite plans were made for a meeting of the President with the Governors and Senators from this region. President Kennedy's tragic death cut short the planning for a conference on the needs of this area. However, the necessity for action still remains.

The people of the upper Great Lakes area are ready to act now. If we are to vote aid for Appalachia, there is no reason that our region should wait.

The bill I am introducing, with the cosponsorship of Senators Hart, McCarthy, and Mondale, would permit us to move forward immediately. It would include:

1. Creation of the Upper Great Lakes Development Authority of seven members—four appointed by the President, three appointed by the Governors with one from each of the three States.
2. The authority charged with developing and coordinating programs for land use, public works, resource development, and authorized to finance and conduct research and studies; supported with technical assistance and grants with existing and new local development district; promote industrial and commercial and recreational projects; and coordinate State, Federal, and local programs, and stimulate the private enterprise economy of the region.
3. A series of special programs are authorized under the terms of the bill and include:

Three million dollars for contracts to various public and private agencies and educational institutions for basic and applied research on improving the extracting, transporting, processing, and marketing of the region's resources.

Five hundred thousand dollars for special educational projects and fellowship grants on industrial and community development and area economic planning of special importance to the region.

Two million dollars for initial planning and engineering of a Lake Superior scenic shoreline highway.

Two million dollars to provide technical assistance and grants and staffing of local development districts working on industrial, commercial, and recreational development.

The total appropriation for the first fiscal year, including the above special programs, is set at a maximum of \$10 million. Additional authorizations as necessary for continuing years is provided.

I am sure that the upper Great Lakes region can be a showplace in a more beautiful America. It can also become a rural slum. The choice lies, in large measure, with us in the Congress. For this reason I urge that a comprehensive regional approach be adopted to solve the problems of this area which I have outlined. I urge that the committee amend the Appalachian bill and establish an Upper Great Lakes Regional Authority.

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STATEMENT BY HON. GAYLORD NELSON, A U.S. SENATOR FROM THE STATE OF WISCONSIN, ON THE NELSON AMENDMENTS

The committee has before it two proposed amendments, one which would create an Upper Great Lakes Regional Development Authority and one which would simply authorize funding for research and planning needed in other depressed regions of the Nation.

I have cosponsored the upper Great Lakes regional development amendment because I believe this region of the country is not only much in need, but because its people are organized, its officials are aware of the region's problems, and because basic research and general planning for the development of this area has already been done. In short, the region is ready to go, and I believe we should move now to establish development authority and get on with the work of changing, improving, and generally upgrading the region's economy.

But the upper Great Lakes region is not the only one which has lagged behind the Nation. There are many other regions which are not meeting the problems

of a growing, changing America. As the President said in his state of the Union address: "We should not establish and carry out a new program to develop regions of our country now suffering from distress and depression."

The second amendment before you speaks to this general problem. It recognizes that there are many areas in the country which suffer from regional problems, but which are not "ready to go" in the sense that all of the preparation has been done for the establishment of a commission and for immediate action. What these areas need is the kind of work which resulted in the detailed, full-blown legislation now being considered for Appalachia. They need support, guidance, and help in the development of immediate "action plans."

The second amendment would amend the Appalachian legislation simply to authorize immediate planning for no more than six other regions which generally meet the criteria established in the statement of purpose of the Appalachian bill approved by the Senate last year.

The amendment would not establish new commissions nor authorize major expenditures. It would only provide \$10 million for immediate planning which would help other qualified depressed regions to prepare carefully drafted plans and proposals, as was done in the preparation of the Appalachian bill.

No more than \$2.5 million could be spent on regional planning in any one area.

The planning would be authorized only if the basic research and public sentiment of the region were sufficiently solid so that a viable action plan for development could be produced in 18 months.

In addition to the upper Great Lakes area, the standards in this bill might be met by the Ozarks; the northwestern mountain regions; the upper New England area; the desert High Plateau corner of Utah, Colorado, New Mexico, and Arizona; and parts of the Deep South.

I am a cosponsor of the Appalachian legislation. I believe that now, at the time we approve action for one depressed area of the country, we should also begin to act for the other needy regions of the Nation. There is no reason to wait. I urge that the committee give favorable consideration to the proposals that an Upper Great Lakes Regional Development Authority be established, and that action planning funds be approved for up to six other regions.

(The following exhibit was submitted for the record by Senator Cooper:)

#### NATURAL AND HUMAN RESOURCES, JACKSON COUNTY, KY.

##### 1. FOREWORD

Jackson County is located in the Appalachian area of southeastern Kentucky. While it has been endowed with many outstanding natural resources it lacks, at the present time, the economic foundation to adequately care for its people.

The leaders of the community realize that if any permanent advance is to be made to improve the living conditions of its people, outside cooperation is necessary. The task is simply too large for the resources that are locally present.

In this respect the people of Jackson County look with favor and high hopes on the proposed Appalachian bill. It will furnish a sound foundation upon which the future development of the entire region can be built. It is with the utmost enthusiasm that the county endorses this bill and encourages its passage as quickly as possible by the Congress of the United States.

The following facts and descriptions have been compiled to show the basic need of a county like Jackson for this type of Federal and State aid. Additional information may be obtained by writing to the Jackson County Improvement Association, McKee, Ky. Mr. Jess Wilson is executive secretary.

##### 2. GENERAL DESCRIPTION

###### *Population*

###### Population trend:

1960	10, 677
1950	13, 101
1940	16, 339
Percent change, 1950-60	-18. 5
Net migration 1950-60:	
Number	-4, 441
Percent	-33. 9



*Population characteristics*

	1960	1950	1940	Percent change, 1950-60
Age:				
14 to 17.....	1,036			
18 to 24.....	903	1,313	2,029	-31.2
25 to 44.....	2,205	2,978	3,712	-26.0
45 to 64.....	1,889	1,797	1,828	5.1
65 and over.....	1,053	891	649	18.2
Percent urban.....	0	0		
Percent rural.....	100	100		

Density of population : 31.7 persons per square mile.

Live births per 1,000 population : 20.4.

Percent gain in population 1950-60 due to natural increase (births over deaths) : 16.1.

*Labor force*

Participation, 1960 census—

Male: number 14 years and over, 3,601; number in labor force, 2,052; percent in labor force, 57.

Female: number 14 years and over, 3,485; number in labor force, 314; percent in labor force, 9.

Percent working outside county : 10.7.

Total employed, 1960, 2,210; 1950, 3,486; percent change 1950-60, -36.6.

*Unemployment and labor supplies*

Census unemployment : 6.6 percent of civilian labor force in county, 1960.

Estimated current labor surplus, November 1962, 2,024—

Males (18) : next 10 years, 1,372.

Females (18) : next 10 years, 1,275.

Percent of all employed 1960 who were unskilled workers (county rank, 13), 31.4.

Number unemployed per 1,000 insured workers : 274.6.

Percent of civilian labor force insured for unemployment (county rank, 100), 12.

*Income*

Median earnings of selected occupational groups—

Male : \$1,402.

Female : \$1,310.

Mean income (all types of income) : \$1,899.

Median family income (county rank, 116) : \$1,651.

*Distribution by class*

All families.....	2,502
Under \$1,000.....	773
\$1,000 to \$1,999.....	<sup>1</sup> 734
\$2,000 to \$2,999.....	<sup>2</sup> 386
\$3,000 to \$3,999.....	281
\$4,000 to \$6,999.....	247
Over \$7,000.....	131

<sup>1</sup> Percent below \$2,000, 60.2.

<sup>2</sup> Percent below \$3,000, 75.7.

Total county income, 1960, \$5,988.

Per capita income, 1960, \$561.

*Housing*

Total number of housing units (all types) in 1960, 3,219.

Total number of occupied units, 2,716.

Number of owner occupied, 2,004.

Median value of owner-occupied units, \$5,000 (minus).

*When built*

1950 to 1960, 676 units, 21 percent of total.

1940 to 1950, 608 units, 18.9 percent of total.

1939 or before, 1,935 units, 60.1 percent of total.

Percent of dwelling units in good condition (defined as those dwelling units having hot running water, private toilet and bath, and not dilapidated), 10.3 percent. In this regard, Jackson County ranks 118 of Kentucky's 120 counties (at the low end).

(Sources for statistics: Willis A. Sutton, Jr., and Jerry Russell, "The Social Dimensions of Kentucky Counties," Kentucky Community Series, No. 29, September 1964, University of Kentucky, Bureau of Community Services, College of Arts and Sciences, Lexington, Ky., and "Economic Program Facts," prepared by the department of commerce, Frankfort, Ky.)

*Welfare*

	Number	Amount
Total receiving aid (September 1964) .....	1, 425	\$56, 836
ADC .....	776	20, 440
Old-age assistance .....	429	26, 336
Blind .....	24	1, 836
Disabled .....	99	6, 934
Medical assistance .....	76	1, 240

NOTE.—Persons 65 years and over, 1,053; children under 18, 4,627; total per capita expenditure on aid to dependent children, 1960, 19.11 (county rank, 7); per capita public assistance payments, 1960, 50.15 (county rank 5).

*Education*

County population, 25 years and over, 1960	Male	Female	Total	Percent
Number .....	2, 606	2, 532	5, 138	-----
Median years' education completed .....	6. 8	7. 4	7. 1	-----
Number of school years completed .....	160	77	237	4. 6
Elementary:				
1 to 4 years .....	679	547	1, 126	23. 9
5 and 6 years .....	505	544	1, 049	20. 4
7 years .....	263	270	533	10. 4
8 years .....	664	667	1, 331	25. 9
High school:				
1 to 3 years .....	150	174	324	6. 3
4 years .....	90	117	207	4. 0
College:				
1 to 3 years .....	33	80	118	2. 2
4 or more years .....	62	56	118	2. 3

*County school attendance in 1960*

Age group	Number in school	Percent in school	County rank
5 and 6 years old .....	216	40. 9	-----
7 to 13 years old .....	1, 759	94. 4	-----
14 and 15 years old .....	445	85. 9	-----
16 and 17 years old .....	310	58. 8	102
18 and 19 years old .....	144	44. 2	-----

Percent dropouts, 42.1; percent graduate to college, 18.2. (Based on 1958-59 ninth-grade enrollment and 1961-62 high school graduates.)

Percent of all males 25 years of age or older who had completed 8 years and no more schooling, 25.5 (county rank 57).

Percent of all persons 25 years of age and older who completed fewer than five grades of school, 28.5 (county rank 10).

Percent of all persons, etc., who completed high school or more years of schooling, 8.5 (county rank 120).

Total education expenditure, Federal, State, and local per pupil in grades 1 to 12, 1960, (county rank 90) \$247.10; (county rank 10) 224.64.



### 3. HIGHWAYS

Transportation has been and is today one of the great pressing needs of Appalachia. The system of highways that have been selected by the Appalachian Regional Commission especially as they pertain to Kentucky merit our approval and endorsement.

It is the hope of the people of Jackson County that such U.S. highways as 421 will be considered for upgrading and development. U.S. 421 serves as the main artery of traffic for the entire central section of southeastern Kentucky. At McKee, during the year 1963, the average daily traffic on U.S. 321 was 1,630 vehicles, while at Manchester, 28 miles south of McKee, the traffic rose to a peak of 4,450 a day.

The highway at the present time is narrow and contains many blind turns and dangerous curves. An exceedingly high percentage of accidents occurs on this highway at the present time.

A better road would serve as a major factor in acquiring industry as well as a greater volume of tourist trade. These two items would substantially aid the economy of the county.

### 4. WATER RESOURCES

To all who are familiar with Appalachia, water is one of the great blessings as well as liabilities of the area. While abundant rainfall is present, there is no way to control its runoff.

Flooding in the winter and spring coupled with drought and lack of water in the remainder of the year have constantly plagued the area.

The people of Jackson County are deeply interested and highly recommend the emphasis given by the Appalachian bill to an expanded water control program.

#### *Parkers Creek—Rockcastle River Dam*

Of particular concern to the county is the development of the Corps of Engineers project on the Rockcastle River above Livingston, Ky. This would create a lake that would substantially affect Jackson County and bring the backwaters of the lake to within a few miles of the county seat at McKee.

Considerable planning and hearings have been conducted on the Rockcastle River Reservoir and an expenditure of \$56,000 has already been allocated for this purpose. It is hoped that the passage of the Appalachian bill will materially increase the possibility of this reservoir being completed in the near future.

#### *Conservation Lake—McCammon Fork*

A conservation lake of between 100 and 200 acres has been surveyed by the Department of Fish and Wildlife as well as the Department of Natural Resources for Jackson County on McCammon Fork. Such a lake would be an ideal addition to the natural resources of the county. While the cost factor is high the overall benefits, especially viewed over a length of time, would make such a lake a vital asset to the county and the surrounding area.

### 5. PASTURE AND FOREST MANAGEMENT

Jackson County is a comparatively large county. It has 330 square miles or 216,000 acres. Two aspects of the Appalachian bill would be of particular value to the county and they are the pastureland improvement section and the forest management section.

#### *Forest management*

There are 156,000 acres of Jackson County forested. This represents 72 percent of the entire area of the county. At the present time, about 5 million board feet of lumber are cut annually. Yet a survey taken in 1962 indicated that 118,604 acres of woodland needed some type of reforestation and timber management. This work should be undertaken as soon as possible.

#### *Pasturelands*

There already exists many pasturelands that support both dairy and beef cattle operations. Milk plants and stockyards in neighboring counties depend heavily on Jackson County for their supplies. According to the survey quoted above, an additional 25,328 acres of land should be put into grassland production if it is to reach its highest potential.

The county heartily endorses these features of the Appalachian bill and actively strives to take its rightful place in the implementation of these programs.

#### RECREATION

One of the great assets of Appalachia in general and Jackson County in particular is the natural beauty of the area. It could become quite a tourist attraction because of the recreational value of its geography.

The Forest Service has already developed two areas into picnic and tourist attractions. These are the S Tree Recreation Area and the Turkey Foot Recreation Area. Other areas, such as Wind Cave and similar scenic sections of the county, could be developed.

Fishing could truly take its rightful place in the economy of the area, especially if the Rockcastle River Reservoir and the conservation dam go into operation.

Deer hunting as well as all manner of small game make Jackson County a real choice for the hunter.

The people of Jackson County feel that this Appalachian bill would give great impetus to the tourist industry which could become the biggest factor in the economy of Appalachia.

#### 8. RECOMMENDATIONS AND ENDORSEMENTS

It is the hope of the people of Jackson County that this bill passes and that it ushers in a new spirit of cooperation between the Federal, State, and local agencies. It is also hoped that this bill will be expanded as time goes on to implement the work which it endeavors to bring about.

This is the beginning. A good beginning, true, but one which must grow if it is to make a significant contribution to the people of our land.

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#### STATEMENT OF HON. E. L. BARTLETT, A U.S. SENATOR FROM THE STATE OF ALASKA

It is my hope, since I will be unable to testify before the committee, that this letter in support of S. 3, to provide assistance to the Appalachian region, may be made part of the hearing records.

The reasons for my support of the bill before the last Congress have not been diminished, and I was thus happy to cosponsor Senator Randolph's bill when it was offered on January 6 of this year.

We are dealing here with the principle that what aids one section of these United States aids the whole country. If the human and natural resources of one region are not utilized to the full, harm is done not only to one section of the Nation but to the whole. Congress has recognized this repeatedly. Every time appropriations are made for the construction, for example, of a power project or a dam or a reclamation facility, and especially with the successful Tennessee Valley Authority, the economic and social well-being of this country is enhanced. There are few today who would deny this.

S. 3 embraces the same principle. The area which this measure seeks to help contains something like 15 million people and covers an area of 165,000 square miles. The region has come upon hard times, and for three basic reasons—insufficient highway and rail structure; underutilization of water resources; and inadequate use of potential coal, forest, and agricultural riches.

The bill before the committee carries a design for a substantial Federal-State effort to meet these three challenges, through authorization for construction of new highways, an extensive flood control and water facilities development program, development of marginal farmlands, plus timber development and marketing, and many other worthy features.

This program will succeed and the costs will be repaid many times over in increased tax revenues, in the use of salvaged manpower talent and skills, and in the overall increase of market demand which the revitalized economy of the region will engender.

What can be said about the Appalachian region can be said with equal force about the State of Alaska. We in Alaska have a special reason, therefore, to support S. 3, and also support the contention that what assists one section is good for the whole Nation. We are a single nation, a nation of the whole.



Certainly, the administration's Appalachian program, so far as a regional concept is concerned, is not new. After the earthquake struck Alaska last March 27, the President created a temporary Federal reconstruction and development planning commission for Alaska. After the major reconstruction program had been blocked out, the temporary commission was abolished. On last October 2 President Johnson by Executive order established Federal development planning committees for Alaska in recognition of the fact that the Federal Government and the State "continue to have a common interest in assuring the most effective use of Federal and State programs and funds in advancing the long-range progress of the State" and since "such effective use is dependent upon coordination of Federal and State programs which affect the general economic development of the State and the long-range conservation and use of its natural resources and upon cooperative Federal and State effort with respect to the planning of such programs."

Thus it is that President Johnson has recognized in Alaska—as in the Appalachian region—the importance of a Federal-State partnership for the benefit of all America.

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STATEMENT OF HON. EUGENE J. MCCARTHY, A U.S. SENATOR FROM THE STATE OF MINNESOTA

I appreciate the opportunity to present a statement to the Committee on Public Works at your hearings on S. 3, the proposed Appalachian Development Act of 1965. I am a sponsor of the bill, and I believe it is a reasonable and responsible program for meeting the needs of the people in this economically depressed area of our Nation.

I also urge that the committee give consideration to approving the amendment offered by Senator Hart, which I and other Senators have joined in sponsoring, to provide for the establishment of an Upper Great Lakes Regional Development Authority.

It is my view that the regional approach is best adapted for meeting the problems of certain geographic and economic areas which require special attention. Appalachia is one such region. A comparable one is that of the some 80 counties in northern Minnesota, Wisconsin, and Michigan. This area once had a prosperous economy but for many years it has experienced severe economic distress resulting from the decline of industries related to its two major resources: timber and high grade ores.

The skills of many citizens of the area are now outmoded or no longer in demand. It no longer can offer sufficient employment opportunities for its youth, and its rate of unemployment during some periods has been higher than that in Appalachia.

In many respects the upper Great Lakes area is different in background and resources from Appalachia. Its need is not for a massive program such as that proposed under the Appalachian Development Act. It has traditions of work; it has established communities and schools. The need is for a specific regional authority to provide planning for development and coordination of local, State, and Federal efforts to stimulate business and industry.

The amendment offered by Senator Hart would make this possible. The appropriations for an Upper Great Lakes Regional Development Authority are very limited compared to that required for the Appalachia program. The estimate is that \$10 million would be sufficient for the first fiscal year.

Many studies of the common economic problems and potentialities of the upper Great Lakes counties have already been made. Plans to introduce legislation providing for a regional authority have been under discussion for many months. I believe it is consistent with the Appalachia proposal, and I again urge consideration by the committee of approving the Upper Great Lakes Regional Authority as a provision of the Appalachian Development Act.

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STATEMENT OF HON. WALTER F. MONDALE, A U.S. SENATOR FROM THE STATE OF MINNESOTA

I was honored to cosponsor Senator Randolph's bill to provide public works and economic development programs for the Appalachia region. In my judgment, we can no longer ignore the pressing needs of the people of that region, but must proceed with dispatch to give them an opportunity to join the floodtide of economic and cultural richness sweeping our Nation.

The needs of Appalachia are not without parallel in my own State, the State of Minnesota, and in the States of Michigan and Wisconsin. For that reason, Senators Hart, Nelson, McCarthy, and I have sponsored an amendment to S. 3, to promote development of the economic potential of the upper Great Lakes region.

I strongly urge that the Committee on Public Works give favorable consideration to our amendment. Northeastern Minnesota, once one of the richest and most productive areas in the world, has in recent years suffered a severe economic decline. Many businesses are failing and others are existing on a marginal basis. Unemployment is high and the resulting losses in human and economic values has given rise to a situation that the State of Minnesota cannot longer tolerate without substantial adverse effects on its own economy and the entire economic structure of the Midwestern and Great Lakes States.

Northeastern Minnesota, and this is true of the other Great Lakes States included in the amendment, are caught in a vicious squeeze between a rapidly declining tax base and spiraling governmental costs. For example, State and local taxes expended for welfare purposes in northeastern Minnesota only 2 years ago totaled over \$23 million, and this figure is substantially higher today.

The iron ores of the Mesabi Range in Minnesota through two wars supplied a substantial proportion of the armorplate and steel needed for tanks, guns, trucks, airplanes, and essential military materials. Minnesota ore has also contributed to the industrial expansion of this Nation in peacetime. Now that the high grade ore in Minnesota is for the most part gone, the Nation must not turn its back on these people who are beset by severe economic hardship. Employment in iron mining has dropped over 25 percent in the last 4 years—the general rate of unemployment is nearly three times the national average. In some especially hard-pressed sections, more than a fourth of the workers are without work. And these figures do not begin to reflect the numbers of men who are working short weeks.

All of the Minnesota counties in the present version of amendment 1 (along with many adjoining counties) are classified by the Department of Labor as being areas of "substantial and persistent unemployment."

Consider St. Louis County, for example. According to the Department of Labor, the average annual rate of unemployment in this county, which includes the city of Duluth, has been at least 50 percent above the national average for 3 of the last 4 years. And on the iron range section of the county, the average annual rate of unemployment has been 75 percent above the national average for 2 of the past 3 years.

Part of the cost to this region, and to the State of Minnesota, is calculable in dollars and cents. I would estimate that northeastern Minnesota has cost employers more than \$50 million in unemployment compensation benefits for the past 5 years, and this may be a very conservative estimate.

But the total cost in terms of human values cannot be determined by any scale or slide rule known to man. We cannot know what it means to a man to rely on governmental assistance to feed his children and clothe his family. The Great Society certainly cannot exist in such homes and in such communities.

It is clear that the people of the region are doing all they can to restore their area to economic health. It is up to all of us now to put forth equal efforts. Senator Hart, McCarthy, Nelson, and I have pledged our personal support for the economic betterment of those depressed areas. I know I speak for them when I ask this committee to give serious and full consideration to amendment 1 to the present Appalachia bill. The upper Great Lakes area has a substantial, common identity of interest with Appalachia, and it would be highly appropriate for this committee to take favorable action.

Before I joined this body as a Senator, I was attorney general of the State of Minnesota. Our great Governor, Karl F. Rolvaag, appointed me to lead a "task force for economic recovery" in northeastern Minnesota. No one knows better than I the problems of that area and I respectfully urge that the time to act is now, before a further serious decline in the potentialities of recovery there necessitates radical and expensive countermeasures. Swift action now can help the citizens of the upper Great Lakes region to work with State and local governments, backed by the assistance of the Federal Government, to bring back the economic prosperity they once enjoyed.



## STATEMENT OF HON. JOSEPH D. TYDINGS, A U.S. SENATOR FROM THE STATE OF MARYLAND

Between my election on November 3 and taking the oath of office on January 4, I met with county and State leaders from areas in Maryland directly affected by the Appalachian program. I was again impressed by the need for legislation to help stimulate economic activity in the depressed areas of Allegany, Garrett, and Washington Counties.

The roads program, stressed by many as one of the most important provisions in the program, will open up western Maryland and its beautiful recreation areas, its hunting and fishing preserves, and its lovely scenery to many thousands of Marylanders and other visitors reluctant to travel over the antiquated highways leading west.

Improved highways that will allow trucks to travel in safety along these routes will encourage greater industrial activity in areas that have been inaccessible up to this time.

The conservation aspects in the Appalachian program will prove particularly beneficial in developing watershed projects, preserving the precious topsoil of Maryland, reforestation, antipollution measures, establishing wilderness areas and sanctuaries, creating wildlife habitats, increasing game and fish supply, and maintaining safe hunting zones.

Resort areas can be developed to provide facilities for physical activity so sorely needed by the residents of overpopulated urban areas. Western Maryland can offer the tourist or serenity-seeking Marylander an excursion into the earliest history of our Nation and provide a gateway to hunting, skiing, hiking, fishing, and boating.

With economic aid from the Federal Government, as a foundation, an industrial rejuvenation is foreseeable in jobs and job opportunities to residents of western Maryland and other areas affected by the Appalachian Regional Development Act of 1965.

It is important for planning to get underway immediately at the State and National levels to channel new sources of employment into depressed areas such as western Maryland where there is a stable and vital labor force.

It is necessary for the economy that a strong emphasis be made on education of the residents most directly concerned with this program. Training and retraining programs must be established to provide the unemployed with productive skills to take advantage of new opportunities. As our automated technology swiftly swallows up unskilled jobs it becomes important that our work force be equipped with the specialties and technical training demanded in private industry and public works projects.

Western Maryland, along with the rest of Appalachia, stands on the threshold of opportunity. It is the responsibility of the National Government, along with local authorities, to make sure that the opportunities are developed and that the people are prepared to take advantage of the opportunities.

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STATEMENT OF ANDREW J. BIEMILLER, DIRECTOR, DEPARTMENT OF LEGISLATION, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

Mr. Chairman, my name is Andrew J. Biemiller, I am director of the department of legislation of the American Federation of Labor and Congress of Industrial Organizations.

The AFL-CIO wishes to record its support of S. 3, the Appalachian Regional Development Act of 1965. Organized labor likewise endorsed the proposals of the Appalachian Regional Development Act of 1964, which passed the Senate but failed to receive House action in the final days of the 88th Congress. I am attaching to this statement for the record, the policy resolution on regional and resources development which was adopted by the AFL-CIO executive council on November 24, 1964. This statement reiterates labor's support for the proposed Appalachia program and similar regional planning programs expanded to other areas of the country. I also wish to call to your attention that the AFL-CIO has formed a conference of our 11-State central labor bodies in the area to assist in revitalizing the economically depressed Appalachia area. I am also attaching to this statement, the AFL-CIO news release describing the makeup and proposals of this committee.

The proposed act is a challenging and imaginative approach to a long-run solution of the special and pressing problems of a great and too long neglected region of the Nation. The AFL-CIO strongly endorses the act's coordinated approach to the problems of Appalachia and its far-reaching economic, social, human, and natural resource development objectives.

It has long been our view—and it is now a widely accepted view—that the Employment Act of 1946 requires the Congress to seek solutions to the problems of chronic local and regional unemployment as well as unemployment which is nationwide in scope. The 87th Congress endorsed this view by passing the Area Redevelopment Act in 1961 to help find solutions for chronic unemployment that is basically local in character.

We believe that the legislation now before you must establish at the outset an effective policy of broad overall regional planning of sound and interrelated programs.

This means that aid for Appalachia must meet specific needs and must be adequately financed by Federal and State funds. It also means there must be effective Federal, regional, and State cooperation if the program is to yield results and justify the public outlays that are contemplated. Equally important, regional planning and regional action must enlist the local communities and the people of Appalachia in cooperative efforts.

The 10-State region it will serve contains great differences—but the region also also shares many common characteristics. To deal successfully with the region's differing needs, resources, and social and political structures, administration of the program must be flexible and its administrator must be allowed to respond to changes and to make innovations which experience may demonstrate to be necessary. Authority must be coupled with responsibility in carrying out the Appalachian development programs.

The sharp decline of Appalachia's basic industries—coal and timber—makes all the problems of the region more difficult to deal with. The decline of these industries adds to the region's burden of hard-core unemployment, poverty, and to the steady erosion of the morale and vitality of many of the people of the region. Isolation of many areas ravaged natural resources. Absentee ownership and educational deprivation are other symptoms of the region's chronic illness.

In his state of the Union message, President Johnson reiterated his support for "a regional recovery program to assist development of stricken areas left behind by our national progress." He has placed Appalachian development legislation high on his list of bills for immediate action by the Congress, and as an important weapon in the administration's war on poverty.

As the President's Regional Commission pointed out, the entire region shares this "unhappy distinction \* \* \* rural Appalachia lags behind rural America; urban Appalachia lags behind urban America; and Metropolitan Appalachia lags behind Metropolitan America."

We believe that the proposed Appalachian Regional Development Act can help end this lag—that it can help win a major victory in the war on poverty.

S. 3 calls for an authorization of \$1,077,200,000 for the following major purposes:

For construction of highways and local access roads-----	\$840, 000, 000
For construction and operation of demonstration health facilities-----	69, 000, 000
For land improvement and erosion control-----	17, 000, 000
For assistance to small timber growers-----	5, 000, 000
For restoration of land damaged by mining-----	21, 500, 000
For formulating comprehensive water development plans-----	5, 000, 000
For vocational education facilities-----	16, 000, 000
For local sewage treatment works-----	6, 000, 000
For supplementary various Federal grants-in-aid programs-----	90, 000, 000
For local development districts-----	5, 500, 000
Administrative expenses of the Commission-----	2, 200, 000
Total-----	1, 077, 200, 000

We are particularly happy to note that these broad programs demonstrate a concern both for the development of physical resources and for human needs and for the development of human resources in Appalachia. We particularly endorse the proposed expansion of employment services, the provision of funds for community work and training programs, extension of the school lunch program, and support for health and housing.



The people of Appalachia themselves must share in planning for progress. Without their participation, without their initiative, without their enterprise, this program will bog down in a morass of hopeless apathy. Appalachia needs money and technical assistance from the Federal and State Governments, but this assistance will be wasted effort if it fails to arouse, to stimulate local community action and personal enterprise by the citizens of Appalachia.

To achieve the greatest possible citizen participation in the effort of each local community to develop its physical and human resources, we urge an additional and vitally needed program, a program of leadership development.

We believe the legislation before you should include a new program to help people with leadership potential learn how they can improve their communities. Like the highly successful programs of the cooperative agricultural extension service so long conducted by the land-grant colleges, this new leadership training program could stimulate widespread citizen participation in Appalachia's towns and cities and local communities.

Leadership classes and workshops in communities and short courses on college campuses can develop broad understanding of the Appalachian regional development program. We believe the people who attend these adult education programs will acquire the knowledge and motivation necessary to get effective community action underway—using tools and assistance available under this legislation and available from other Federal, regional, State, and local sources. We view this kind of educational effort as an opportunity to develop citizen leaders—leaders who will give vitally needed drive and dynamism to the redevelopment and renewal of Appalachia.

Therefore, we urge this committee to add an authorization of \$7.5 million to this legislation. The land-grant colleges of the Appalachian States should have the authority to administer this money. Although the Agricultural Extension Service program receives Federal, State, and county funds, poverty in many Appalachian counties is so severe that we urge that financing be equally shared by the Federal and State Governments. Federal funds for this purpose might well be allocated on the basis of the population which each State has in the Appalachian area.

Each land-grant college should establish an advisory committee broadly representing the public, including organized labor, to help develop the leadership training program. We believe the legislation should require consultation and cooperation among the colleges participating in the program.

Our suggestion for leadership development would involve a relatively small expenditure, but it would have a high payoff rate in terms of economic and social progress in Appalachia. Therefore, we urge you to include such a program in the legislation now before you.

Organized labor strongly endorses the inclusion in S. 3 of section 402 which provides for coverage of workers employed under projects assisted by Federal funds authorized under this bill by the prevailing wages provision of the Davis-Bacon Act as amended, and the reorganization labor standards set forth in the Reorganization Plan 14 of 1950, and section 2 of the act of June 13, 1934, as amended.

This provision will prevent the programs to be carried forward under S. 3 from undermining labor standards in the construction industry in various localities throughout the Appalachian region.

Finally I must call your attention to one weakness in the bill. When the Congress passed the Area Redevelopment Act, it properly specified in its introductory "declaration of purpose" that "under the provisions of this act, new employment opportunities should be created by development and expanding new and existing facilities and resources rather than by merely transferring jobs from one area of the United States to another." While this broad mandate has helped guide the Area Redevelopment Act, experience has proved that more specific safeguarding language is necessary if the intent of the Congress is to be effectively implemented.

Therefore, we believe this legislation to help Appalachia should contain more adequate protections against plant piracy and "runaway" employers. The existing provision of this bill, section 404(b) (7), which deals with this issue, should be clarified to make sure that Federal aid will not contribute to any transfer of jobs from one area to another.

Moreover, to carry out this congressional intent effectively, the bill should spell out explicitly that aid should also be denied: (1) to an employer who engages in the subterfuge of changing his corporate name but who has in fact re-

located; (2) to an employer who would engage in fulfilling subcontracts formerly performed elsewhere; and (3) to an enterprise that seeks to expand facilities in an industry in which very substantial underutilized capacity already exists.

The AFL-CIO cannot too strongly emphasize the necessity of now writing such provisions into the act.

In conclusion, I wish to repeat that the AFL-CIO strongly supports the Appalachian Regional Development Act, with the amendments I have described.

However, let us all recognize that the circumstances which have led to poverty, to blight, to social and economic lags in the depressed areas and depressed regions of this country were a long time in the making. Economic recovery inevitably will be slow. The Area Redevelopment Act programs and this proposed Appalachia program cannot be successful unless the American economy as a whole achieves and sustains a high rate of growth with expanding job opportunity for all American workers.

Unfortunately, persistent unemployment and poverty can continue in depressed areas and in a depressed region like Appalachia even during times of national prosperity. But without national prosperity, without an expanding economy, without new job opportunities opening up, we cannot expect even the best of aid programs for depressed areas to be successful.

Therefore, we urge this committee to act promptly on the Appalachian Regional Development Act of 1964, as part of the overall national attack on poverty and as part of the national effort "to promote maximum employment, production, and purchasing power," as required by the Employment Act of 1946.

#### REGIONAL AND RESOURCE DEVELOPMENT

Experience under the Area Redevelopment Act of 1961 has demonstrated the need for a broader assault on chronic depression—an assault that embraces a region rather than a single community. The proposed Appalachia program conforms to this need and it has our support.

There should be similar programs in other areas, based upon the concept of regional planning. Financial and technical assistance by the Federal Government can obviously be more effective on this broader base.

There remains the national challenge of conservation and development of natural resources. Such areas as water supply and river development, giant grids for the interstate transmission of electric power, desalinization of sea water, the preservation and maintenance of national forests and rangelands—and these are but a few—require firm Federal initiative.

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#### STATEMENT OF JACOB CLAYMAN, ADMINISTRATIVE DIRECTOR, INDUSTRIAL UNION DEPARTMENT, AFL-CIO

Mr. Chairman, this statement is made on behalf of the industrial union department. Our affiliates include some 6 million union members.

The industrial union department wishes to indicate our support for the speedy passage of S. 3, the Appalachian Regional Development Act of 1965.

We appreciate the diligence with which this committee has toiled on this problem with all its economic and institutional complexities, because we feel this measure may mark the opening of a new frontier of social action and planning, a precedent for zeroing in on the particular problems of a region differing in nature or intensity, or both, from the rest of the country.

The geography, resources, level of unemployment and breadth of poverty in much of Appalachia certainly calls for a new approach, an approach designed to apply some specific remedies already agreed upon, but also designed to provide the means for continuing studies of the entire area, studies which can lead to creative new action or institutions.

We are highly conscious, as indeed you must be, that the most promising program of regional planning and development can achieve only limited progress in the face of the continuing high level of unemployment in the country as a whole. In offering our strong support for S. 3 we wish to reiterate our oft-repeated belief that despite the better than usual record on unemployment of the last 4 years, we must do far better.

Some of us are old enough to remember that in the sometimes almost desperate days of the New Deal, we were constantly confronted with the obvious fact that a great many of the individual, local, or regional problems we were grap-



pling with could not be solved in the face of mass unemployment. The general economic situation is not nearly so bad today, but it is certainly apparent to all who will see that over and above this imaginative and courageous approach to regional planning and action we need renewed enthusiasm for carrying out the implied mandate of the Employment Act of 1946. We must not pretend to achieve the goals of the Employment Act of 1946 by reducing the very standards implied by that act.

We reject the notion that a level of  $4\frac{1}{2}$  or 5 percent unemployment is tolerable.

We are equally conscious of the importance of accelerating action in depressed regions faced with problems different or more intense than those faced by the rest of the country. Let us hope that this measure is only the beginning. The discussion of Senator Hart's suggestion that there are good grounds for the establishment of an Upper Great Lakes Authority along similar lines is cheering evidence of a broad-based concern for reckoning with stubborn regional problems via regional agencies.

The only specific change we would urge in the present bill is the inclusion of the amendment by Senator Clark increasing the funds available for reclamation of coal lands by \$7.5 million for each of the first 2 years of the act.

We are somewhat troubled by the proposed administrative structure which we feel may well delay desirable action in some instances and prevent it in others, but we are making reference to this only in terms of the need for future surveillance. We do not wish our doubts to jeopardize or delay passage of this measure. We believe experience will indicate that adequate State and local cooperation can be secured more promptly and efficiently by a regional agency administered by Federal appointees, but the promise of this measure is so great and the needs it is designed to meet are so tragic that we are not willing to do more at this time than to express our concern.

The industrial union department wishes to associate itself with the statement of Mr. Biemiller for the AFL-CIO urging passage of this bill.

We join with the President's expressed hope in his message to Senator Randolph today that the bill can be brought to early passage without crippling amendments.

It must indeed be encouraging to the supporters of this bill on the committee that no organization either asked to appear at these hearings in opposition to the bill or submitted statements in opposition. This is a remarkable consensus on so thorny a set of problems.

We reiterate our desire for immediate passage of this measure as a part of the comprehensive program for the elimination of poverty in this country.

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STATEMENT BY THE GOVERNOR'S APPALACHIAN COMMITTEE OF ALABAMA, REX D. ROACH, CHAIRMAN

The Governor's Appalachian Committee of Alabama has carefully reviewed S. 3 introduced in the Congress on January 4, 1965, known as the Appalachian Regional Development Act of 1965. It is our position that in general we support the proposed legislation. We believe that the Appalachian area of Alabama has much to gain as a result of its passage. Many of the instrumentalities of our State government would be involved in its administration; these agencies will undoubtedly participate in the program to the extent that State matching funds are available. Attached hereto is a statement from the Alabama State Highway Department which illustrates the need for this program in the development of the portion of the Appalachian region that lies within our State.

STATEMENT OF STATE HIGHWAY DEPARTMENT OF ALABAMA

Development of large areas in the Appalachian region in Alabama will depend on the construction of substantial mileage of local access roads to provide connections with the Interstate Highway System or with primary State roads not included in the Interstate System. Dams on the Tennessee, Coosa, Tallapoosa, Warrior, and Tombigbee Rivers provide reservoirs that are ideal for the development of fine recreational areas. These reservoirs are within a few hours' driving distance of large metropolitan areas and additional access roads are essential for full development. Inland port facilities are now available and others are planned on navigable waterways within the area and access roads to

these facilities will stimulate development. These access road connections are necessary to provide a transportation network that will adequately serve the isolated area whether they be developed for industry, recreation, or for any other purpose.

The State highway department has agreed to participate with 10 other States in a highway planning study in the Appalachian region. This study will be conducted by a consulting engineering firm employed by the Department of Commerce, Bureau of Public Roads. This study will begin immediately and we are sure it will reveal the need for several hundred miles of local access roads in Alabama. Due to rugged terrain the cost per mile of roads in Appalachia is substantially greater than in other areas of the State. State funds must be expended throughout the State and amounts that can be expended in Appalachia are limited; but on a favorable matching ratio, the highway department will make a determined effort to build the needed access roads as they are authorized and as Federal aid funds become available.

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AMERICAN PUBLIC POWER ASSOCIATION,  
Washington, D.C., January 21, 1965.

HON. JENNINGS RANDOLPH,  
Senate Committee on Public Works,  
Senate Office Building,  
Washington, D.C.

DEAR SENATOR RANDOLPH: During the 2d session of the 88th Congress, American Public Power Association appeared before your committee to support the Appalachian Regional Development Act of 1964. It was the association's contention then, and it is now, that Appalachia needs a program of revitalization directed at existing underemployment and underdevelopment.

APPA would like to be recorded, again, in support of legislation to redevelop the Appalachian region. The legislation proposed, short term and high impact in nature, is the beginning of an extended effort to bring the region into economic equality with the rest of the Nation. APPA supports this type of proposal on the basis that, as a beginning, the Regional Development Act is a good one.

At the same time, we reiterate that no long-range improvement of the Appalachian region can be expected without a positive program directed at full and comprehensive development of the region's water and coal resources.

Therefore, we believe that Congress should expedite the water resources study authorized in S. 3 in order to begin comprehensive development of water resources at the earliest possible date. We also believe that Congress should instruct the Commission established by S. 3 to begin a detailed study, as soon as possible, of the means by which the coal resources of the region can be best used for the good of the region, its people, and its overall economy.

In 1964, APPA and other organizations suggested that the committee adopt language to the effect that the Commission should immediately commence the latter study, with specific attention to the development of thermal electric generation for markets in and out of Appalachia. Language was made a part of the committee report which stated that:

"The committee is also in agreement with the finding of the President's Appalachian Regional Commission which declared in its 1964 report that 'Developments in the field of power could have a marked impact upon the future economic situation in the Appalachian region' and stated that study of the potential benefits of using coal and hydro resources for this purpose should be 'among the early concerns' of a regional organization. The committee shares the view expressed by the PARC report that: 'These studies should be conducted with the assistance and counsel of an advisory committee which includes representatives of private utilities, electric cooperatives, municipal systems, Federal and State agencies, and the public, and should be coordinated with the present Federal Power Commission survey of national power requirements.'

"It is, therefore, the consensus of the committee that the Regional Commission should initiate early a study of the coal resources of Appalachia, especially in relation to the generation of low-cost electricity for market within the region and in areas of high-cost power outside of Appalachia."

We hope that the committee will again incorporate this statement in its report on legislation to aid Appalachia.

Sincerely,

ALEX RADIN, General Mnager.



NATIONAL COAL POLICY CONFERENCE, INC.,  
Washington, D.C., January 21, 1965.

HON. JENNINGS RANDOLPH,  
*Senate Public Works Committee, Senate Office Building, Washington, D.C.*

DEAR SENATOR RANDOLPH: The members of the National Coal Policy Conference, Inc., many of whom conduct operations within Appalachia, are extremely interested in the Appalachian recovery legislation (S. 3) which is now being considered by the Senate Public Works Committee. We realize that the problems which the region faces are of long standing and of a serious nature. Because the bituminous coal industry has long been identified with the region, we obviously have a deep and abiding interest in finding solutions to the problems so we can get on with the job of alleviating personal hardship and creating conditions under which men can be put back to work at gainful, useful jobs.

I want to compliment the Senate Public Works Committee for the diligence with which it has approached this legislation. Also, I want to commend you personally for the leadership you have shown in bringing this matter to the attention of the Congress and the public. You have a personal knowledge of the many serious problems of Appalachia and your recommendations, as to solutions, deserve the most careful consideration.

Although the provisions of the bill do not directly affect the coal industry or offer a solution to the more pressing problems which are retarding coal production in the region, we nevertheless feel that the broad public interest would be served by passage of legislation along the lines of your proposal.

Certainly, those segments of the bituminous coal industry operating within Appalachia would want for selfish reasons, if no others, to remove men from the unemployed rolls and put them back to work. The high cost of welfare is reflected, in the final analysis, in the tax bills of these companies. It is good business, aside from the humanitarian aspects of the proposed program, to turn these men into taxpayers.

Anyone familiar with Appalachia fully appreciates the unsurpassed scenic beauty of the region. It would, therefore, seem to make sense to open these scenic areas for the development of tourist attractions. This would create jobs and added spending power. Enhancement of this natural beauty, through a cooperative Federal-State effort, could make a major contribution toward this end, and to the attraction of new industries.

Obviously, any program directed toward the economic revitalization of Appalachia must take into consideration the bountiful supply of natural resources of the region. These resources must be fully exploited so that productive jobs can be created.

Coal is by far the most valuable of these resources. As your committee's report on similar legislation pointed out during the last session of the Congress, "despite drastic reductions of employment in the past two decades, the production and transportation of coal still remains the single largest source of employment in Appalachia." About 126,000 men are employed in the mines and another 70,000 on the railroads in transporting the coal.

Your committee's report further pointed out: " \* \* \* the production of bituminous coal in the region can exert a stabilizing influence on the Appalachian economy. Thus, as part of the economic development plan for Appalachia, the State and Federal Governments should take every measure to encourage the production of bituminous coal."

The coal industry is convinced that given the proper economic climate, it could significantly increase production. Any significant increase in production would have to come from men added to the work force. Leading coal companies and railroads operating in Appalachia have estimated, on the basis of present productivity trends, that an increase of 100 million tons in production would mean jobs for about 32,000 additional coal miners and 19,000 railroad workers, with a combined payroll of \$297 million annually.

The coal industry is gravely concerned over a number of Government policies which are inhibiting the growth of coal markets and production. These policies relate to imports of residual fuel oil, Government subsidy for commercial nuclear power and the sale of surplus natural gas in off-peak periods at dump prices in competition with coal.

Obviously, such governmental policies cannot be dealt with in legislation of the type before you.

Even with the passage of this legislation, however urgently it might be needed, the need will remain for these other matters to be given urgent attention. Other-

wise, the coal industry will never be able to realize its full potential in Appalachia insofar as providing new, well-paying jobs are concerned.

Let me repeat that the National Coal Policy Conference believes the broad public interest would be served by passage of legislation along the lines your committee is considering. At the same time, we believe it is important that the committee make clear in its report, which will be filed with the legislation, that insofar as coal is concerned much remains to be done, and urge that appropriate legislative committees begin work at once at trying to resolve the serious problems which inhibit the expansion of coal production and, hence, the creation of new jobs in the region through the mining and transportation of coal.

Respectfully submitted.

JOSEPH E. MOODY, *President.*

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WEST VIRGINIA MOUNTAIN PROJECT,  
Whitesville, W. Va., January 16, 1965.

Senator JENNINGS RANDOLPH,  
*Senate Office Building,*  
*Washington, D.C.*

DEAR MR. RANDOLPH: Needless to say, we are all excited over the prospects of the Appalachian bill and its ramifications and assistance for our State. Couple with this the Economic Opportunity Act, and the prospects are greater than ever.

My wish, however, is that some program could be devised in the Appalachian bill to assist public school education. Each year in our State we spend disproportionate amounts of our income on public education (compared with other States) only to have our students leave us for other places, thus benefiting those other States to which they go. How much we need, back in these hollows, some good schools that prepare the students to live in our kind of society: remedial schools; classes for the exceptional student. Certainly good roads are important, yet so are good schools. Is there any possibility of the Appalachian bill, serving as it does States whose youth migrate elsewhere, including some assistance for vocational and academic public school education?

Yours sincerely,

The Reverend JACK WELLER.

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PRESBYTERIAN APPALACHIAN COUNCIL,  
Whitesville, W. Va., January 16, 1965.

Senator JENNINGS RANDOLPH,  
*Senate Office Building,*  
*Washington, D.C.*

DEAR MR. RANDOLPH: The Presbyterian Appalachian Council, representing the work in seven States of the southern Appalachian region by the United Presbyterian Church, the Presbyterian Church, U.S., the Cumberland Presbyterian Church, and the Reformed Church of America, urgently requests the Congress of the United States to provide funds for a massive program of public education, academic and vocational, in its pending Appalachian bill. Because these churches are concerned with the development of human resources, we consider effective public education to be the greatest single need for Federal action in dealing realistically with the deeply rooted problems of Appalachia.

Yours sincerely,

The Reverend JACK WELLER, *Chairman.*

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#### STATEMENT OF NATIONAL ASSOCIATION OF MANUFACTURERS

As a voluntary organization long devoted to fostering economic progress, the National Association of Manufacturers is interested in any constructive measures which might contribute to this objective and serve the national interest.

Your committee and the national administration quite properly are focusing public attention on a persistent economic problem—the plight of people and communities which have failed to keep pace with the gratifying economic progress of the Nation as a whole.



Our association, therefore, welcomes this opportunity to comment on S. 3, and we would like to assist the committee in finding satisfactory ways to help ameliorate problems resulting from economic decline, wherever they may be found.

The feelings of members of the business community about such problems differ in no important way from those of members of other major segments of the national society; business leaders generally have a deep concern for the unemployed and other people who, for whatever reason, are deprived of the social and economic benefits the vast majority of Americans now enjoy.

As employers, businessmen are keenly aware of the complexities of some of the human problems involved. A number of companies belonging to the National Association of Manufacturers have operations located in the Appalachian region and other areas where some of the residents are handicapped by extreme poverty, inadequate education, and low standards of health, sanitation, and housing. The difficulties of speedily raising the general standard of living of people in long-depressed communities are fully apparent.

Despite the scope and individual variations in the overall area known as Appalachia, a great deal of economic progress has been made. We would like to devote the first part of this statement to discussing some of the basic reasons for this progress. We then will turn to an analysis of S. 3 and in conclusion offer the committee several suggestions about some nongovernmental approaches that may be helpful in getting at the human problems.

#### I. PROGRESS IN APPALACHIA

The President's Appalachian Regional Commission emphasizes what the National Association of Manufacturers and many other responsible business organizations believe is the most basic and enduring way of creating more and better jobs for people: investment of capital by private business in enterprises that will satisfy economic and social needs, and done in the expectation of realizing a profit for the entrepreneurs and other investors.

In the language of the report, this viewpoint is stated thus:

"The private businesses of the Appalachian region are critical to future growth.

"They provide the means by which the potential of regional public investment is realized in the form of more and better jobs for the people who are the target for the developmental effort.

"The entrepreneurs who translate the capacities of the region's economy into first-level jobs are indispensable to economic growth. The availability of adequate developmental capital will be critical to their contribution." (PARC report, p. 53).

The outlook for the Appalachian region is considerably brighter today than in recent years because of accelerated interest on the part of private investors in the economic possibilities of the area.

Because of growing diversification of economic pursuits, the Appalachian region seems unlikely to experience again the discouraging economic setbacks such as accompanied the decline of mining and agriculture in the 1950-60 decade. In these 2 fields of endeavor, 640,000 jobs were lost over a 10-year period. However, it is significant to note that employment in manufacturing, construction, and services in the Appalachian portions of the 10-State region in the 1950-60 decade increased by 565,000 persons, manufacturing employment being responsible for more than 35 percent of the increase. Thus, there was a net loss of 75,000 jobs in the decade.

Yet, the President's Commission has commented:

"The Appalachian people are clearly striving to meet the challenge of deprivation. Their achievements are the best augury for the ultimate success of a full-scale, concerted developmental effort."

In the present decade and beyond, the best hope for the Appalachian region is for further investment in job-creating facilities by private business—both those who already have experienced satisfactory results from operations placed there and by others who may be persuaded to locate there because of beckoning economic opportunities.

While the rate of increase in manufacturing jobs in that area was smaller than for the U.S. economy as a whole during the decade, the rate of increase in Appalachia for 8 out of 14 manufacturing industries was greater than for the remainder of the country.

Industries whose employment gains in Appalachia were comparable to, and in some cases in excess of, employment provided by the Nation as a whole, included: Fabricated metals; nonelectrical machinery; transportation equipment, other than motor vehicles; food and kindred products; apparel and other fabricated textile products; printing, publishing, and allied products; motor vehicles and motor vehicle equipment; and other nondurable goods.

While the area is not especially rich in metallic minerals, Appalachia has begun to develop as a source of metal-processing employment. During the 1950-60 decade, fabricated metal industries added jobs in the Appalachian portion of each of the 10 States, and in all but 2 of the States jobs were created in the primary metal group.

A star performer in Appalachia, however, was the motor vehicle and motor vehicle equipment industry, which showed a 67.3-percent increase. Although the President's Commission does not indicate the number of jobs involved, it is evident that job creation in this industry requires considerable investment.

The availability of electric power provides an inducement to industry to locate in a given area, and in this respect the Appalachian region is in solid shape to compete with other regions. Not only is there no power shortage, but power is being exported over a broad geographical area.

Twenty-three investor-owned electric utility companies have made important contributions to the economic development potential of the region. Their 244 powerplants generate 30 million kilowatts annually, and an additional 7.5 million of generating capacity is planned.

Both the coal and railroad industries are helping to enlarge the national market for Appalachian coal, particularly in the growing electric power industry. Unitized trains, installed several years ago by railroad lines operating in and beyond the coal mining territories, are lowering transportation costs; such distant utility companies as Consolidated Edison Co. of New York are contracting for sizable Appalachian coal requirements over a 3-year period; and the coal mine operators in Appalachia are pricing their product more competitively because of the guarantee of volume orders. Thus, the operations of the marketplace—plus the ingenuity of entrepreneurs in detecting and fulfilling customer needs—are moving to improve employment in the Appalachian coal mining industry.

A projected program by 20 investor-owned utilities to create a vast network of power generating and transmitting facilities to serve major population centers will require an additional 60 million tons of coal a year. American Electric Power Co., which last spring announced a billion-dollar expansion program, will eventually increase its coal requirements by 12.5 million tons a year, according to its current planning.

The trend toward diversification in the Appalachian region augurs well for increased employment. Movement of private capital into the area because of such inducements as available manpower and natural resources, plus the encouragement of local communities, is increasing. In our view, the major role in job creation will be played by private enterprise. National policies which encourage capital investment by the private sector of the economy should provide more enduring, meaningful, and satisfactory solutions for not only Appalachia, but other regions which may not have kept pace with the rest of the national economy.

Acceleration of the rate of national economic growth is dependent upon greater encouragement to private investors to put their money to work in the expectation of making a profit. The unleashing of the creative energies of people who are thus provided opportunities to get productive employment is made possible.

## II. ANALYSIS OF THE RATIONALE OF THE BILL

We note that section 2 of the bill states the following:

"The public investments made in the region under this Act shall be concentrated in areas where there is the greatest potential for future growth and where the expected return on public dollars invested will be the greatest."

If it is decided to have a program of this type involving massive Government spending, then the above-stated policy is, of course, a desirable one to pursue. Communities which have developed best in the past probably have the best chance for future growth. However, recognition of the desirability of such a policy by inevitable logic leads to the conclusion that Government intervention in economic processes is unsound.



The forces of a free market, based on the decisions of millions of citizens seeking their own economic best interests, can better determine areas where there is greatest potential for future growth and where the expected return on dollars invested will be the greatest than can Government officials. If individual citizens make some economic mistakes from time to time, they do so at their own risk without imposing undue hardship on others. When Government officials make economic mistakes, the hardships are widespread such as in the case of perpetuation of price controls after the end of World War II. In essence, the issue is economic democracy versus economic dictatorship, and inevitably economic democracy will prevail.

The arbitrary designation by Government fiat of certain areas to receive preferential treatment will create temporary artificial market forces which in the long run will lead to economic waste. Thus it appears that by this legislation, an economic choice will be made to give preferential treatment in public spending to so-called Appalachia (which we note is defined so that it does not include all the Appalachian range which actually extends through the States of New York, Connecticut, New Hampshire, Vermont, and Maine) and apparently to particular areas within so-called Appalachia. The preferential treatment will include various grants-in-aid on percentage bases not available to other parts of the country. We strongly urge that such economic choices be left up to the forces of the free market which have created the economically strongest nation in the history of the world.

#### *Income in Appalachia*

One reason given for a special Appalachia program is the higher than average proportion of low-income (below \$3,000) families, and the relatively low proportion of families with incomes above \$10,000. This is not, however, an urbanized area. Using the \$3,000 figure without qualification as to such factors, as the Council of Economic Advisers did in its 1964 Economic Report, in 1962, 43 percent of all farm families and 32 percent of all southern families had money incomes below \$3,000.

Although the Council of Economic Advisers used the \$3,000 of money income as the cutoff point for "poverty," they recognized that "refined analysis would vary the income cutoff by family size, age, location, and other indicators of needs and costs" (p. 58, Report of the Council of Economic Advisers, 1964). Because this region has a larger proportion of rural dwellers than the rest of the country, it has lower money income—but this should be somewhat discounted as cash income does not have the same significance for the level of living in rural as in urban areas. It is obviously cheaper to pick tomatoes from your own garden plot than to pay 49 cents a pound for them in a city supermarket.

The report of the President's Appalachian Commission gives us the opportunity to compare family income for different types of residence in Appalachia and elsewhere in the country. This is summarized in the tabulation below:<sup>1</sup>

Type of family by residence	Median 1960 family income, Appalachia	Median 1960 family income, United States	Appalachia as percent of United States
Metropolitan areas.....	\$5, 287	\$6, 324	83. 6
Nonmetropolitan urban.....	4, 961	5, 296	93. 7
Rural nonfarm.....	3, 797	4, 303	88. 2
Rural farm.....	2, 624	3, 061	85. 7

When we consider the wide range of family income within the economy, it becomes evident that, although these groups are below the national average, it is not by a very large proportion. With the variety of ways in which families earn their income, a variation of less than 20 percent is not great. Certainly not great enough to require a "crash" program.

As the data presented by the President's study group show (tables C-1 and C-2), there is a considerable income range within the area. Although median family income in the metropolitan areas was consistently below that of metropolitan areas in the country as a whole, the range was from \$4,274 in Tuscaloosa

<sup>1</sup> Based on tables C-1 and C-2, 1964 report of the President's Appalachian Regional Commission.

to \$5,954 in Pittsburgh, Pa. (the median for metropolitan United States was \$6,324). They also listed median family incomes for 34 nonmetropolitan State economic areas. Although a State economic area, for census purposes, is designed to be a relatively homogeneous subdivision (economically and socially) of a State, the range of incomes shows that these 34 areas differ widely one from the other. Each State economic area was subdivided into three types of residence: nonmetropolitan urban, nonfarm rural, farm. These were the ranges of median family income:

Nonmetropolitan urban: \$3,301 to \$6,642.

Nonfarm rural: \$2,134 to \$5,429.

Farm: \$1,733 to \$4,567.

There is, therefore, no "typical Appalachian income."

Nor is there a typical Appalachian income disadvantage. Some of these areas had median family incomes in 1960 that were above the corresponding U.S. median. This was true for 7 of the 34 nonmetropolitan urban figures; 9 of the 34 nonfarm rural figures; and 13 of the 34 farm figures.

It is obvious, therefore, that there are other parts of the country with incomes as low (or lower) than those in Appalachia—if that is the index to be used to measure economic problems. Median family income in 1959 in West Virginia (the only State completely within the region) was \$4,572. This was higher than the median income in the States of Arkansas, Louisiana, Mississippi, North Dakota, and South Dakota—all outside the region.<sup>2</sup>

One might draw the conclusion that what is needed is a whole series of regional programs, to meet the special problems of each of these areas. But the need for such multifarious special programs is much less impressive when we examine the trends, as well as the levels, of income in the various geographic areas of the country. There is a clear tendency for growth to be most rapid in the sections of the country, including Appalachia, which are presently behind the others in income levels. The Census Bureau report just cited states: "It appears that the States are relatively more similar in terms of family median income in 1959 than they were 10 years ago."

Nor is this a recent and, possibly, short-term trend. Another Government report, using per capita personal income as the basis for study, makes it possible to study income change for the 1929-48 and for the 1948-63 periods.<sup>3</sup> The general trend is for the States with above-average growth in the earlier period to have slowed down in the latter period. The exceptions (the States that were above average in growth during both periods) include Southern and Western States that are changing from a primarily agricultural economy to an industrial one. Although the Southern States, including those in which we find part of "Appalachia," may still be below the national average in terms of dollar income, their rapid increase indicates that their "income lag" is narrowing with industrialization.

### *Employment in Appalachia*

For every type of area, the unemployment rates for Appalachia in 1960 were markedly higher than for the rest of the country. The assumption, because of the identification of the area with coal mining, is that the answer is to be found here. The figures on employment changes in Appalachia, by industry (table I) appear to bear this out—all the States except Georgia and North Carolina had major decreases in mining employment between 1950 and 1960.

However, mining is not of equal importance as a source of employment to the different parts of the region. Kentucky and Maryland had about the same percentage decline in mining employment between 1950 and 1960 (53.7 and 53.3 percent respectively). In 1950, however, 20.8 percent of the employment in Kentucky was in mining; in Maryland, on the other hand, only 2.3 percent of employment was in that industry. It is obvious that the loss of "more than half" the mining employment did not have the same significance in the two areas. (See table II for distribution of employment, by industries.)

Agriculture and mining, the two declining industries in terms of employment when the area is viewed as a whole, varied in importance in 1950 from 10.4 percent of employment in Maryland to 53.8 percent in Kentucky. By 1960, they had declined for the region as a whole, still accounting for more than one-third

<sup>2</sup> Table A, "Low Family Incomes: 1960." Supplementary reports, 1960 Census of Population, Feb. 24, 1964, U.S. Department of Commerce. PC (S1)—43.

<sup>3</sup> Survey of Current Business, April 1964, table 2, p. 21.



of the employment in Kentucky—but for only 6.1 percent in Pennsylvania. Even in 1950, however, less than one-fourth of the employment in the area as a whole was in these industries.

With respect to total employment, four States in the Appalachian area have had net losses (of varying proportions, see table I). The remainder have had gains. The difference is found in the shift to employment in other industries especially manufacturing and services. This varied economic picture makes it difficult to see any justification for identifying this as a separate region for development—to the neglect of all others.

In his Economic Report, in January of 1964, President Johnson said: "Today, as in the past, higher employment and speedier economic growth are the cornerstones of a concerted attack on poverty." This is true in Appalachia, as it is elsewhere in the Nation. The trend toward the diversification of the economy—spurred on by the initiative of private enterprise—in this area is a good sign for both increased employment and high incomes.

Many are impatient with the fact that, all the private and local initiative notwithstanding, this area still lags in some important respects. However, it must also be recognized that Appalachia is part of the United States and that problems that show up here also show up elsewhere in the Nation. If foreign competition is a problem in the steel industry, for example, the mills in the Ohio-Pennsylvania-West Virginia area are affected, but so are the mills in Gary, Chicago, and Fontana.

There are those who maintain that the existence of such "depressed" areas makes necessary a pinpointed Federal effort to revitalize their individual economies. We already have such programs in our Federal Area Redevelopment Act. Our experience under such legislation demonstrates that a host of "side" problems inevitably develops that create new problems which then have to be solved.

Because the activity stimulated by such legislation rests upon special privileges and advantages, it results in "pirating"—even though the legislation (and it is true of this bill) specifically attempts to discourage this. An obvious example occurs when operations at existing facilities are curtailed following the opening of a new facility in a "depressed area." Less obvious, but equally important, are the cases where brandnew operations, which might have been established in some other section of the country, are attracted instead to a depressed area by inducements in Federal law. The most frequent complaint about the Area Redevelopment Act program is that jobs and production move from existing facilities within the area to the new ones. Many instances have been reported of loans and grants to encourage the construction of facilities which would compete with existing privately financed (and nonsubsidized) enterprise.

It is obvious that thousands of organizations throughout the country are engaged in vigorous competition to attract industry to their particular areas. However, the competitive efforts of communities to attract industries to their own localities do not simply cancel each other out. It is not a matter of shuffling jobs and sales from "A" to "B." They significantly improve the general economic climate of the whole country—in much the same way that competition among firms raises the level of efficiency of all of them. A Federal program which favors selected areas does not have this type of effect. It discourages, rather than stimulates, the necessary local efforts.

#### *The structure of the Commission*

The proposed bill states, as did the presidential study group, that the "State and local governments and the people of the region understand their problems and have been and are prepared to work purposefully toward their solution."

Nevertheless the Appalachian Regional Commission, which is to develop plans, conduct investigations, formulate and recommend interstate compacts, encourage private investment, etc. (sec. 102), is a governmental group, consisting of Federal and State representatives. Further, the Federal cochairman has veto power over any decision made. No matter what lipservice is given to State and local governments and local leadership in the bill's introduction, this will be a federally dominated project, with all the accouterments—including grants for approval projects on various matching bases. This type of approach to economic problems has not been very productive up to now.

*Appalachia's future—and the economy's*

There is a widely prevalent, but misleading, point of view in this country that says in effect: if you do not approve programs such as those offered in this bill, you are not interested in the economic well-being of the country. This myth overlooks the probability that the alternatives offered may, in fact, be the more appropriate ways to solve our economic problems. For example, businessmen (and many economists) argued for many years that a tax cut would have a salutary effect on economic activity. The encouragement the tax cut gave the business community has resulted in major new programs of expansion.

Data released by the U.S. Department of Labor on January 7, 1965, indicated that employment in trade and manufacturing has risen from 64.6 million a year ago, to an alltime high of 66.6 million; the total unemployment rate has gone down from 5.5 percent a year ago to 4.9 percent; the unemployment rate for adult men has gone down from 4.3 percent a year ago to 3.5 percent; and the unemployment rate for married men has gone down from 3.3 percent a year ago to 2.7 percent. One way to help Appalachia, then, is to adopt general governmental policies which encourages the expansion of job-producing, taxpaying enterprises.

We recognize that there are undoubtedly older people—and very young ones—in the area who need help. For them, an intelligent system of public assistance, based on need and locally administered, is an obvious requirement.

No matter what the immediate effects of the recent tax cut on the economy, we should not consider this job finished. We need to consider the possibility that we will benefit by further tax reform, oriented toward improvement of business incentives, and increasing the funds available for private investment. We must also be aware of the dangers of inflation. Therefore, increased revenues resulting from economic growth should be used primarily for further tax reduction. This suggests that economy in Government spending, not increased expenditures for marginal and non-revenue-producing projects, should be one of the foremost concerns of the 89th Congress.

In broad terms, the National Association of Manufacturers sees the problems of the area which has been designated as Appalachia as a reflection of those elsewhere in the economy. The geographic identifiability of the region does not mean it is separated from the rest of the economy.

To the extent that Appalachia's various subsections have special problems, these should, can, and will be solved by the ingenuity and enterprise of millions of individuals, thousands of business firms, and hundreds of State and community bodies. There are encouraging signs that this is happening on a significant scale. Therefore, as in dealing with the problems of poverty throughout the country, the need is for policies which will remove the barriers to economic growth in the productive, private sector of the economy. It is by this decentralized and voluntary type of action, rather than by the intrusion of Federal bureaucracy, that economic growth has been achieved in the country at large—and is being achieved in Appalachia. The approach represented by S. 3 might well impede, rather than assist, progress along these lines.

### III. SOME POSITIVE ALTERNATIVE APPROACHES

Our association shares your committee's concern for the plight of the poverty-stricken and the jobless in the Appalachian and other depressed communities.

Included in our concern are those segments of the overall problem that are sociological as well as economic.

In the Appalachian portion of seven States, the percentage of persons over 25 years of age who have failed to finish 5 years of school ranges as high as 22 percent; this contrasts with an 8-percent figure for other parts of the United States. (Yet, paradoxically, the Appalachian portions of three States are above the national average in this respect.)

Clearly, as the President's Appalachian Regional Commission report says, "An immediate effort should be made to reduce the high incidence of illiteracy in Appalachia. Training programs for specific skills are inapplicable where the prospective trainee can neither read nor write."

Sociologists confirm the experience which many employers have learned "the hard way" that the problems of a community are interrelated. Education is an inherent part of present-day employment. Health and sanitation are tied to housing. One aspect of this complex problem is so closely tied to another that a unified approach rather than a piecemeal approach is essential.



Some might draw from this the inference that a Federal domestic "Peace Corps" is needed, or some other highly publicized Federal assistance program to get the job done. We prefer another approach.

Too often overlooked is the role that voluntary, cooperative groups all over this country are now playing in helping people to help themselves.

Many of the problems of the economically depressed areas result not from inadequate resources but from the misuse or inability of people to utilize these resources effectively for their own and society's needs.

One nonprofit, nonsectarian, voluntary national organization dedicated to the concept of helping people help themselves is the 14-year-old Board for Fundamental Education, composed of businessmen, educators, and professional people. Significantly, it was chartered by the Congress of the United States in 1954 and annually reports its activities to the Congress.

Its purpose:

"To provide guidance in planning activities which will encourage willing people to help themselves to develop their capacities more fully, to utilize their potential to the maximum degree, and to lead richer, more productive lives that will be of benefit to themselves and to their community."

Through the board's efforts, a civic action group was organized in 1957 under E. L. Kirkpatrick in Wirt County, W. Va., after traditional sources of income had dried up. Through the community's own initiative, a ski manufacturing plant (started through a \$35,000 local investment) was established; a plant nursery employing 200 people was started; and various local organizations cooperated in building a recreational area and in developing a program for youth. These activities grew out of a program stimulated by the Board for Fundamental Education involving individual development through courses in fundamental education. Community volunteers put on adult workshops, seminars, and learning programs. Today, Wirt County is an area of growth instead of stagnation, development instead of disintegration, hope instead of fear.

The knowledge and experience gained in more than a quarter century of work at Flanner House, Indianapolis, Ind., in helping adults acquire the basic tools of learning have now been applied by the board staff and cooperative educators in such areas as Overton and Pickett County, Tenn.; Hawkins, Tex.; Ashland, Wis.; suburban Duluth and White Earth Indian Reservation, Minn.

Anaconda Co. is helping unemployed coal miners from the Appalachian region relocate in metal mining jobs in Montana. The big majority of those relocated have switched easily to "hard rock mining" and they are now among the most highly regarded—and highly paid—miners on "the richest hill on earth" in Butte, Mont. This is a sterling example of a private, voluntary program to help solve the employment problems of persons in the Appalachian region.

The people of Braxton County, W. Va. formed the Braxton County Redevelopment Corp., a private, locally owned and organized corporation. They analyzed the resources of their county and concluded its chief asset was an abundance of low quality timber. The redevelopment corporation raised over \$400,000 from local sources for investment in the West Virginia Forest Products Co. so as to construct a wood processing plant. The plant uses a new method which makes particle board from low quality timber. Imported technicians train the local workers who are recruited from the ranks of the unemployed as aptitudes permit. The company employs more than 400 persons. Now, Braxton County has an industry in which the people take pride because they built it themselves.

Local leaders in Chicago became aware that from 25,000 to 30,000 southern Appalachian emigrants had moved into a 2- by 5-mile area of uptown Chicago. These emigrants were having difficulties adjusting to an unfamiliar urban environment. The local leaders donated \$25,000 so that a Chicago office of the Council of the Southern Mountains, Inc., could be established to help these people. The Council of the Southern Mountains Inc. is located in Berea, Ky. and is well acquainted with the people from the Appalachian region. The Chicago office gets in touch with emigrants either before or after they arrive in Chicago. Information is provided as to available housing, job opportunities and training opportunities. Skills are analyzed and classes are held on techniques of securing employment. Businessmen are urged to accept them and to give them a chance to prove their worth by employing those who qualify for available jobs. Many families have been helped by the council's Chicago office.

Nautilus Industries, Inc., located a new plant in the anthracite coal region of Pennsylvania to manufacture home appliances. The local work force was composed of natives of the area, experienced only in coal mining, many of them

chronically unemployed. Gerald L. Cohen, founder and president of Nautilus, a native of the area, had the conviction that such former coal miners could be trained for metalworking jobs such as paint sprayer, shear operator, buffer repairman, press operator, welder, assembler, packer, finisher, and inspector. A company-sponsored training program was established. It consists of a careful selection process which places great stress on motivation, personal responsibility, and good work attitudes; mechanical aptitude tests in welding, assembly, and press operations administered by the State employment service; and an on-the-job training program with members of the company supervisory force as instructors. The training program has resulted in a skilled, productive work force. A typical example of transition from coal miner to skilled metalworker is an employee who spent 29 years in coal mining and had been out of work for 2 years before coming to Nautilus. Now, he is a skilled stamping press operator. The community of Freeland, Pa., where the plant is located, and the State of Pennsylvania are high in their compliments about Nautilus Industries, Inc., and what it has meant to the people in that area.

The three latter examples have been taken from the file of case studies of the STEP program of the National Association of Manufacturers, designed to promote widespread knowledge of sound solutions to employment problems. The STEP program collects and publishes case studies analyzing successful solutions to difficult employment problems. The case studies are grouped as follows:

- I. Case studies on company employment problems :
  - A. Selection.
  - B. Company-sponsored training.
  - C. Retraining.
  - D. Redirecting.
- II. Case studies on community employment problems :
  - A. Self-development.
  - B. Community sponsored training.
  - C. Job development.
  - D. Relocation.

Companies or communities having one or more of these employment problems can request case studies outlining how other companies or communities, facing similar problems, worked out satisfactory solutions. The case studies are sufficiently detailed to enable the determination of whether or not a similar program, perhaps revised to fit local circumstances, would be helpful.

There are various other examples which can be culled from the files of foundations, universities, labor organizations, chambers of commerce, and business sources, which illustrate graphically the achievements of business, professional and labor union leadership in "turning around" communities that have become psychologically as well as economically depressed.

Properly conceived self-help programs might well be given greater public prominence in dealing with the problems of Appalachia and the STEP program of the National Association of Manufacturers is an effort in that direction.

Businessmen generally are not complacent about the problems existing in the pockets of poverty; neither are they agreed that any speedy solutions exist for the complex problems found in such distressed areas. However, the National Association of Manufacturers believes that lasting solutions will not be gained through massive Government spending programs, and the proposed Appalachian Regional Development Act is one of these.

Nevertheless, as concerned citizens, we feel that more light should be shed on the true nature of the problem, and that unstinting effort is needed to bring into the mainstream of economic and social life those citizens who have experienced great privation, for whatever cause.

A great deal more work is going on in this field than is generally recognized. Your committee, and other congressional committees, could perform a signal public service by spotlighting this phase of our national endeavor—much of it rooted deeply in the fabric of American life and heritage.



TABLE I.—*Employment changes in Appalachia, by major industry groups, 1950-60*<sup>1</sup>

[Percent change]

	Total	Agriculture	Mining	Construction	Manufacturing	Services
Alabama.....	+5.6	-60.7	-59.5	+32.9	+27.3	+28.9
Georgia.....	+10.2	-60.3	0	+42.0	+29.0	+36.0
Kentucky.....	-30.2	-56.4	-53.7	-8.8	+4.8	-1.0
Maryland.....	+3.3	-30.8	-53.3	+17.1	+2.0	+10.6
North Carolina.....	+5.9	-52.6	+20.0	+14.4	+34.0	+21.5
Ohio.....	+5.4	-52.4	-52.5	+24.6	+36.7	+21.1
Pennsylvania.....	-0.9	-36.7	-67.8	-3.0	+4.4	+12.4
Tennessee.....	+7.8	-46.6	-43.0	+2.0	+29.4	+25.0
Virginia.....	-4.3	-46.8	-36.2	-2.1	+33.3	+18.4
West Virginia.....	-14.3	-61.3	-56.0	-9.0	+6.1	+6.8
Total, Appalachia.....	-1.5	-52.5	-58.6	+5.7	+14.2	+16.3
Balance of United States.....	+17.1	-35.6	-1.0	+10.8	+20.6	+28.1

<sup>1</sup> Based on tables C-8 and C-9, Report of the President's Appalachian Regional Commission, 1964.TABLE II.—*Distribution of employment in major industry groups, Appalachia, 1950-60*<sup>1</sup>

[Percent]

Industry	Alabama		Georgia		Kentucky		Maryland	
	1950	1960	1950	1960	1950	1960	1950	1960
Agriculture.....	21.7	8.1	24.3	8.8	33.0	20.6	8.1	5.4
Mining.....	4.1	1.6	.7	.7	20.8	13.8	2.3	1.1
Construction.....	5.3	6.7	5.4	7.0	4.5	5.8	5.4	6.2
Manufacturing.....	24.4	29.4	35.5	41.6	8.3	12.4	31.1	30.7
Services.....	44.5	54.3	34.0	42.0	33.4	47.4	52.9	56.7

Industry	North Carolina		Ohio		Pennsylvania		Tennessee	
	1950	1960	1950	1960	1950	1960	1950	1960
Agriculture.....	25.6	11.5	20.6	9.3	4.9	3.1	20.9	10.3
Mining.....	.6	.7	5.8	2.6	9.1	3.0	2.6	1.4
Construction.....	6.0	6.5	5.6	6.6	5.1	5.0	7.1	6.7
Manufacturing.....	30.5	38.6	22.3	29.0	34.9	36.8	25.7	30.8
Services.....	37.3	42.8	45.6	52.5	45.9	52.1	43.7	50.7

Industry	Virginia		West Virginia		Total Appalachia	
	1950	1960	1950	1960	1950	1960
Agriculture.....	23.6	13.2	9.8	4.4	14.1	6.8
Mining.....	16.3	10.9	21.4	11.0	9.2	3.9
Construction.....	5.8	6.0	5.1	5.4	5.4	5.8
Manufacturing.....	18.6	25.9	18.8	23.3	27.8	32.2
Services.....	35.6	44.1	44.8	55.9	43.5	51.3

<sup>1</sup> Based on tables C-9 and C-11, report of the President's Appalachian Regional Commission, 1964.

Senator RANDOLPH. I wish to thank you, especially Senator Cooper, as well as all members of this committee, for sharing in these productive hearings.

We have had information and we have received recommendations which will be helpful when the committee goes into executive session on January 27.

Thank you very, very much, those of you who have shared as our listeners.

This hearing stands adjourned.

(Whereupon, at 1:15 p.m., the hearing was adjourned.)

(Subsequently the following statements were received:)

STATEMENT OF HON. CHARLES MCC. MATHIAS, JR., A REPRESENTATIVE IN  
CONGRESS FROM MARYLAND

Maryland's Sixth Congressional District is particularly proud of its heritage of local and individual initiative. Three of our five counties fall within the Appalachian region. For the last decade, this section of western Maryland has been plagued with the reality that they were experiencing deficient economic expansion. Many of the industries in the area were slowing down or shutting down. Unemployment was high and the people were struggling to make ends meet. In 1961, it was determined that the people had to take a stand and begin a program to bolster the economy of the region. In January of that year I proposed a western Maryland economic conference to draw together representatives from the various interest groups involved in the problem, for the purpose of study and discussion in the hope that the exchange of ideas would bind these groups together and yield a fuller understanding of how to combat depressed industry and unemployment.

The results of this conference, above all, showed the need to retain and emphasize local initiative. As I said at the time, "We are going to do this job right in our hometowns." But, in addition to this, it demonstrated the need for a program such as is proposed here today, to coordinate the various local efforts with State and Federal programs. Through this conference, we were able to establish a liaison between the counties concerned and to make a united effort. It is now necessary to establish a program to mold local, State, and Federal efforts into a regional drive to uplift the economy of an entire section of our country.

I think it would be wise at this point to insert a note of caution. This program, if enacted, will be of such broad scope that it will include 11 States and more than 15 million people. Projects will be proposed based on abstract economic theories, which is necessary when you are considering people by the millions and localities by the thousands. But when proposing solutions in this manner, there is always the tendency to forget that we are dealing with individuals whose most immediate concern is their own community interests. This program cannot possibly succeed unless those individual and local interests can be preserved to the highest degree. If the time should come when personal and community initiative is transferred to the State or Federal Government, the most vital resource of the area will have been destroyed. "Favorable economic climate" can never be properly applied to a region of the country or even to a State. It is nothing more than an aggregate of personal achievement translated into the fulfillment of local economic potential. It is still individuals that need employment and it is still individuals who will be increasing their talents and skills in order to accept new jobs. It is still the towns and villages that will provide the sites for new industry, and they will do this by proper utilization of resources and by installation of all the facilities that will help business expand.

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STATEMENT OF HON. CLAIBORNE PELL, A U.S. SENATOR FROM THE STATE  
OF RHODE ISLAND

Mr. Chairman, I appreciate the opportunity to submit my views regarding S. 3, the Appalachian regional development bill.

My cosponsorship of this legislation derives from a longstanding interest in the philosophy underlying regional development planning. Too often we think



in terms of direct Federal-State efforts, ignoring many times the artificial nature of boundary lines.

Regional planning, with its emphasis on developing areas with common problems and overlapping needs, must eventually replace outmoded concepts of isolated efforts. Cooperative ventures joined in by the States and, where necessary, the Federal Government, can solve important problems that need an integrated effort.

My interest in the Appalachian bill is to see a well-conceived and vitally necessary program put into effect. This plan hopefully will set the framework for other necessary regional development plans—and one need only glance at the national problems of unemployment and economic distress, of dwindling natural resources and unconserved lands, to recognize the task that lies ahead.

New England, which for generations had enjoyed a high climate of prosperous industrial advance, widespread trade, important commercial fisheries, and specialized agricultural activities, has been experiencing, in more recent years, serious economic problems which are regional in nature. Because of this, a well-structured regional development plan could aid New England in regaining the levels of prosperity of the past, and in forging ahead to new levels in the future. Enactment and implementation of the Appalachian program will certainly set valuable guidelines for these future efforts.

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STATEMENT OF MAJ. GEN. LOUIS W. PRENTISS, U.S. ARMY (RETIRED), EXECUTIVE VICE PRESIDENT, AMERICAN ROAD BUILDERS' ASSOCIATION

Mr. Chairman and members of the committee, on June 23, 1964, I testified before this committee on behalf of the American Road Builders' Association to present our views in support of the construction of modern primary highways as a means of advancing the economic and social progress of the Appalachian region.

Little needs to be added to the testimony presented on that date. We pointed out that highway building will not, in itself, remove the economic troubles of the Appalachian region. But, we added, modern highways are the essential catalyst without which no comprehensive program of economic aid can fully succeed. We noted that the State highway departments, under existing programs, properly give priority attention to building roads in the areas where the immediate demands of traffic exceed the capacity of existing highways. Thus, special programs are needed to provide highways in those areas which, because of the lack of economic growth, cannot meet the traffic criteria to justify new highway construction to meet traffic demand.

We amplified these statements by citing supporting studies and statistics which demonstrate the role of highways as economic catalysts.

We further pointed out that the proposed highway program not only will contribute substantially to the permanent economic betterment of the region but also will provide an immediate economic tonic through the employment generated by the highway construction itself.

According to a study by the Bureau of Labor Statistics, highway construction generates 216 man-hours of employment per \$1,000 of construction contract value.

The highway industry is ready to move into this new program without delay. The accelerated national highway program begun in 1956 has reached its approximate peak level of construction activity, but the industry has ample reserve resources in manpower and equipment to undertake the new program efficiently and immediately.

Highway contractors are working at levels substantially below their capacity. The construction equipment industry can fill orders for new equipment with no delay. Materials producers stand ready to do their part. Thanks to great technological advances in the last decade, the highway industry has a greater capability for efficient and economical production than at any other time in history.

So we welcome the diligence with which this committee is advancing this legislation and pledge our cooperation in making the program effective.

Mr. Chairman, we are again most appreciative for the opportunity to present the views of the American Road Builders' Association.

NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION,  
Washington, D.C., January 21, 1965.

HON. PAT McNAMARA,  
*Chairman, Committee on Public Works,*  
*U.S. Senate, Washington, D.C.*

DEAR SENATOR McNAMARA: AS we read the above-mentioned legislation, it would authorize expenditure by the Federal Government of \$840 million for highway improvement in the Appalachian States plus an additional \$237.2 million for sewage treatment plants, vocational schools, water resources studies, hospital and health centers, land improvement, timber development, and mining area restoration.

Why, one might ask, in a bill to aid Appalachia, is there no reference to the one natural resource which constitutes Appalachia's largest source of wealth—coal. It almost appears as though there had been, in drafting S. 3, a conscious effort to omit all mention of coal; the one element from which could be derived some dollars to help repay the Federal grants authorized by the legislation.

Of the need and desirability for a Federal program to combat the deplorable conditions under which so many thousands of American citizens exist in the several Appalachian States, there can be no question. There are, however, two tests which, in our opinion, should be met by any legislation which involves the expenditure of more than a billion dollars to redevelop a particular geographical area of the country.

These tests are:

(1) Is the legislation formulated to assure that the Federal investment will result in a sustained economic improvement in the area through the stimulation of business and industrial enterprise; and

(2) Does the legislation assure that to the maximum extent possible, the works to be constructed with Federal funds will be self-liquidating? Will they generate a cash-flow to repay the Federal investment?

It is our opinion that the subject legislation, though desirable in its objectives, would better serve the public interest if modified to more closely meet the above tests, which are usually applied to public works undertakings.

In truth, S. 3 completely ignores the most abundant and the most valuable natural resource which the Appalachian area possesses—coal. The bill provides for the spending of Federal funds to build highways, sewage treatment plants, vocational education facilities, hospital and health centers. It authorizes additional money for land improvement, timber development, and water resources studies. It even authorizes the spending of \$21.5 million to restore lands which have been rendered desolate through the failure of private entrepreneurs to repair the ravages of their own strip-mine exploitation. As to authorizing expenditures for increasing utilization of the coal resources of the region, however, the bill is anomalously silent. Yet, it is by helping to increase coal utilization that this legislation could provide the basis for sustained growth of the area's economy, and render self-liquidating all the projects for which Federal grants are provided. It is the cash register of Appalachia which this bill wholly ignores.

Every authority who has studied the problems of Appalachia during recent years has recognized the dominant role which the area's coal resources could play in its redevelopment.

Your committee, in favorably reporting S. 2782 on August 13, 1964, stated:

"As earlier noted, however, coal remains the single largest resource of the region, and it is of the utmost importance to the development of the area that there be opened new markets for coal. It is the intent of the committee that the Commission should include within its efforts the study of the development of such new markets.

"The committee is also in agreement with the finding of the President's Appalachian Regional Commission which declared in its 1964 report that 'Developments in the field of power could have a marked impact upon the future economic situation in the Appalachian region' and stated that study of the potential benefits of using coal and hydro resources for this purpose should be 'among the early concerns' of a regional organization."

The use of Appalachian coal to provide low-cost electricity for use in the region, and for export from the region, is widely recognized as a desirable major element in rebuilding the economy of Appalachia. The President of the United States has mentioned the concept favorably. It has received support from the Secretary of the Interior, the Pennsylvania Governor's Council of Science and Tech-



nology, a panel of experts on Appalachian problems convened by Princeton University, the Eastern Kentucky Redevelopment Commission, and the American Electric Power Corp., the subsidiary operating companies of which are pledged to expand by 5 million kilowatts their generating facilities in Appalachia over the next 7 years.

In short, Appalachia is a vast coal reserve. Coal in large quantities is low-cost electricity. And low-cost electricity in large quantities is dollars.

So good are the economics of large-scale coal-fired steam electric stations in Appalachia that the "National Power Survey," recently published by the Federal Power Commission, recommends large-scale mine-mouth plants in Appalachia, with 500-kilovolt transmission to New York and New England, as one of the preferred means of serving 1980 electric loads in the latter areas. Already, the major privately owned power companies, and their parent holding companies, have recognized the benefits available. The Keystone plant, consisting initially of two 800,000-kilowatt units, near Johnstown, Pa., will be owned jointly by General Public Utilities Corp., a holding company for five operating companies, Pennsylvania Power & Light Co., and Philadelphia Electric Co. Allegheny Power System, a holding company for seven operating companies, is building a 500,000-kilowatt plant at Morgantown, W. Va. A 500-kilovolt alternating-current transmission system will link these two plants with the Mount Storm, W. Va., 1,140,000-kilowatt plant of Virginia Electric & Power Co. and with the 500-kilovolt network of the American Electric Power Co. *The power companies in Appalachia will thereby be delivering high voltage electricity from Appalachia to Richmond, Va., Washington, D.C., Philadelphia, Pa., and the New York City metropolitan area. The evidence is irrefutable that Appalachia can be established as a center of steam electric generation from which power can be delivered widely throughout the eastern part of the United States at a cost lower than it can be developed from any alternative source.*

*This result is being achieved by privately owned power companies paying all taxes, local and Federal, and capital costs of 14 to 15 percent.*

It is, therefore, obvious that a Federal corporation, operating in similar fashion, could also sell enormous quantities of electric energy from steam stations in Appalachia, and utilize the surplus revenue arising from the difference between Federal financing and private financing to establish and fund an Appalachian development assistance fund. The latter fund could then be used to liquidate projects for which Federal grants are authorized in S. 3.

Assuming that the differential between the cost of producing electricity in a federally financed steamplant and a privately owned steamplant is approximately one-half mill per kilowatt-hour, more than \$3.5 million per year in surplus revenue would be available from every million kilowatts of Federal stream generating capacity that is installed in Appalachia. In effect, one such plant would, during its 30-year lifetime, generate surplus revenues of over \$100 million to help pay off the Federal investment in highways, sewage treatment plants, hospitals, health centers, vocational schools, and similar undertakings.

In the light of forecasts by the Federal Power Commission's "National Power Survey" that by 1980 the cost of mine-mouth generation plus transmission to load center will be generally competitive with load center generation; that 80 million kilowatts of new capacity added by 1980 will be of mine-mouth variety, and that 40 million kilowatts of mine-mouth capacity will be developed in the Appalachian area; the potential for generating a cash flow to fund the above suggested Appalachian development assistance fund is enormous. The opportunities for coal mine employment, for power system construction and operation payrolls, and the availability of low-cost power to stimulate industrial and commercial enterprise would be equally large. These facts emphasize the desirability for including in any Appalachian redevelopment legislation provisions for a Federal corporation empowered to finance and operate coal-burning steam electric stations and to market the power from them. To ignore the potential of this suggestion is to almost completely reject the concept that a program of the type embodied in S. 3 should, to the maximum extent possible, reimburse the Federal Treasury for the expenditures involved and should, rather than constituting an extended dole, be designed to stimulate nongovernmental business activity.

Based on all of the foregoing considerations, we strongly urge that S. 3 be amended to provide for the establishment of a Federal corporation authorized to finance and construct coal-fired steam electric stations in Appalachia, and

to market the power from them. The corporation should be directed to turn over to the several States, or to the United States, all surplus revenues for the purpose of financing the program contemplated by the instant legislation.

As a less desirable alternative, we suggest that, at the very least, there should be included in the legislation authorization and direction for the Secretary of the Interior to further study the possibility of using steam electric stations in Appalachia to develop the necessary cash flow with which to fund the program embodied in S. 3.

We respectfully request that this letter be made a part of the record of the hearings held on S. 3.

Very truly yours,

CHARLES A. ROBINSON, Jr.,  
*Staff Engineer and Staff Counsel.*





*History on P.L. 89-4 Appalachia*

# APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

(89-2)

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## HEARINGS

BEFORE THE

AD HOC SUBCOMMITTEE

OF THE

COMMITTEE ON PUBLIC WORKS

HOUSE OF REPRESENTATIVES

EIGHTY-NINTH CONGRESS

FIRST SESSION

ON

H.R. 4 and S. 3

FEBRUARY 3, 4, AND 5, 1965

Printed for the use of the Committee on Public Works



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# APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

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WEDNESDAY, FEBRUARY 3, 1965

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON PUBLIC WORKS,  
AD HOC SUBCOMMITTEE ON APPALACHIA,  
Washington, D.C.

The ad hoc subcommittee met, pursuant to notice, at 10 a.m., in room 1302, Longworth House Office Building, Hon. Robert E. Jones (chairman) presiding.

Mr. JONES. The subcommittee will be in order.

The first item this morning is to address ourselves to consideration of H.R. 4 and S. 3, from Mr. Fallon and Senator Randolph, bills on the development of Appalachia.

(The documents follow:)

[H.R. 4, 89th Cong., 1st sess.]

A BILL To provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act may be cited as the "Appalachian Regional Development Act of 1965".

## FINDINGS AND STATEMENT OF PURPOSE

SEC. 2. The Congress hereby finds and declares that the Appalachian region of the United States, while abundant in natural resources and rich in potential, lags behind the rest of the Nation in its economic growth and that its people have not shared properly in the Nation's prosperity. The region's uneven past development, with its historical reliance on a few basic industries and a marginal agriculture, has failed to provide the economic base that is a vital prerequisite for vigorous, self-sustaining growth. The State and local governments and the people of the region understand their problems and have been working and will continue to work purposefully toward their solution. The Congress recognizes the comprehensive report of the President's Appalachian Regional Commission documenting these findings and concludes that regionwide development is feasible, desirable, and urgently needed. It is, therefore, the purpose of this Act to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis. The public investments made in the region under this Act shall be concentrated in areas where there is the greatest potential for future growth, and where the expected return on public dollars invested will be the greatest. The States will be responsible for recommending local and State projects, within their borders, which will receive assistance under this Act. As the region obtains the needed physical and transportation facilities and develops its human resources, the Congress expects that the region will generate a diversified industry, and that the region will then be able to support itself, through the workings of a strengthened free enterprise economy.

## TITLE I—THE APPALACHIAN REGIONAL COMMISSION

## MEMBERSHIP AND VOTING

SEC. 101.(a) There is hereby established an Appalachian Regional Commission (hereinafter referred to as the "Commission") which shall be composed of one Federal member, hereinafter referred to as the "Federal Cochairman", appointed by the President by and with the advice and consent of the Senate, and one member from each participating State in the Appalachian region. The Federal Cochairman shall be one of the two Cochairmen of the Commission. Each State member may be the Governor, or his designee, or such other person as may be provided by the law of the State which he represents. The State members of the Commission shall elect a Cochairman of the Commission from among their number.

(b) Except as provided in section 105, decisions by the Commission shall require the affirmative vote of the Federal Cochairman and of a majority of the State members (exclusive of members representing States delinquent under section 105). In matters coming before the Commission, the Federal Cochairman shall, to the extent practicable, consult with the Federal departments and agencies having an interest in the subject matter.

(c) Each State member shall have an alternate, appointed by the Governor or as otherwise may be provided by the law of the State which he represents. The President, by and with the advice and consent of the Senate, shall appoint an alternate for the Federal Cochairman. An alternate shall vote in the event of the absence, death, disability, removal, or resignation of the State or Federal representative for which he is an alternate.

(d) The Federal Cochairman shall be compensated by the Federal Government at level IV of the Federal Executive Salary Schedule of the Federal Executive Salary Act of 1964. His alternate shall be compensated by the Federal Government at not to exceed the maximum scheduled rate for grade GS-18 of the Classification Act of 1949, as amended, and when not actively serving as an alternate for the Federal Cochairman shall perform such functions and duties as are delegated to him by the Federal Cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by the law of such State.

## FUNCTIONS OF THE COMMISSION

SEC. 102. In carrying out the purposes of this Act, the Commission shall—

(1) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

(2) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

(3) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region;

(4) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation;

(5) encourage the formation of local development districts;

(6) encourage private investment in industrial, commercial, and recreational projects;

(7) serve as a focal point and coordinating unit for Appalachian programs;

(8) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences; and

(9) advise the Secretary of Commerce on applications for grants for administrative expenses to local development districts.



## RECOMMENDATIONS

SEC. 103. The Commission may, from time to time, make recommendations to the President and to the State Governors and appropriate local officials with respect to—

(1) the expenditure of funds by Federal, State, and local departments and agencies in the region in the fields of natural resources, agriculture, education, training, health and welfare, and other fields related to the purposes of this Act; and

(2) such additional Federal, State, and local legislation or administrative actions as the Commission deems necessary to further the purposes of this Act.

## LIAISON BETWEEN FEDERAL GOVERNMENT AND THE COMMISSION

SEC. 104. The President shall provide effective and continuing liaison between the Federal Government and the Commission and a coordinated review within the Federal Government of the plans and recommendations submitted by the Commission pursuant to sections 102 and 103.

## ADMINISTRATIVE EXPENSES OF THE COMMISSION

SEC. 105. (a) For the period ending on June 30 of the second full Federal fiscal year following the date of enactment of this Act, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid equally by the Federal Government and the States in the region. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

(b) Not to exceed \$2,200,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

## ADMINISTRATIVE POWERS OF COMMISSION

SEC. 106. To carry out its duties under this Act, the Commission is authorized to—

(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions.

(2) appoint and fix the compensation of an executive director and such other personnel as may be necessary to enable the Commission to carry out its functions, except that such compensation shall not exceed the salary of the alternate to the Federal Cochairman on the Commission as provided in section 101. No member, alternate, officer, or employee of the Commission, other than the Federal Cochairman on the Commission and his alternate and Federal employees detailed to the Commission under paragraph (3) shall be deemed a Federal employee for any purpose.

(3) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the Commission such personnel within his administrative jurisdiction as the Commission may need for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status.

(4) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency.

(5) make arrangements, including contracts, with any participating State government for inclusion in a suitable retirement and employee benefit system of such of its personnel as may not be eligible for, or continue in, another governmental retirement or employee benefit system, or otherwise provide for such coverage of its personnel. The Civil Service Commission of the United States is authorized to contract with the Commission for continued coverage of Commission employees, who at date of Commission employment are Federal employees, in the retirement program and other employee benefit programs of the Federal Government.

(6) accept, use, and dispose of gifts or donations of services or property, real, personal, or mixed, tangible or intangible.

(7) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

(8) maintain a temporary office in the District of Columbia and establish a permanent office at such location as it may select and field offices at such other places as it may deem appropriate.

(9) take such other actions and incur such other expenses as may be necessary or appropriate.

#### INFORMATION

SEC. 107. In order to obtain information needed to carry out its duties, the Commission shall—

(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable, a Cochairman of the Commission, or any member of the Commission designated by the Commission for the purpose, being hereby authorized to administer oaths when it is determined by the Commission that testimony shall be taken or evidence received under oath;

(2) arrange for the head of any Federal, State, or local department or agency (who is hereby so authorized, to the extent not otherwise prohibited by law) to furnish to the Commission such information as may be available to or procurable by such department or agency; and

(3) keep accurate and complete records of its doings and transactions which shall be made available for public inspection.

#### PERSONAL FINANCIAL INTERESTS

SEC. 108. (a) Except as permitted by subsection (b) hereof, no State member or alternate and no officer or employee of the Commission shall participate personally and substantially as member, alternate, officer, or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization (other than a State or political subdivision thereof) in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Any person who shall violate the provisions of this subsection shall be fined not more than \$10,000, or imprisoned not more than two years, or both.

(b) Subsection (a) hereof shall not apply if the State member, alternate, officer, or employee first advises the Commission of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by the Commission that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Commission may expect from such State member, alternate, officer, or employee.

(c) No State member or alternate shall receive any salary, or any contribution to or supplementation of salary for his services on the Commission from any source other than his State. No person detailed to serve the Commission under authority of paragraph (4) of section 106 shall receive any salary or any contribution to or supplementation of salary for his services on the Commission from any source other than the State, local, or intergovernmental department or agency from which he was detailed or from the Commission. Any person who shall violate the provisions of this subsection shall be fined not more than \$5,000, or imprisoned not more than one year, or both.



(d) Notwithstanding any other subsection of this section, the Federal Co-chairman and his alternate on the Commission and any Federal officers or employees detailed to duty with it pursuant to paragraph (3) of section 106 shall not be subject to any such subsection but shall remain subject to sections 202 through 209 of title 18, United States Code.

(e) The Commission may, in its discretion, declare void and rescind any contract, loan, or grant of or by the Commission in relation to which it finds that there has been a violation of subsection (a) or (c) of this section, or any of the provisions of sections 202 through 209, title 18, United States Code.

## TITLE II—SPECIAL APPALACHIAN PROGRAMS

### PART A—NEW PROGRAMS

#### APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

SEC. 201. (a) The Secretary of Commerce (hereafter in this section referred to as the "Secretary") is authorized to assist in the construction of an Appalachian development highway system serving the Appalachian region (not to exceed a total of three thousand three hundred and fifty miles in length of which total not to exceed one thousand miles shall be local access roads that will serve specific recreational, residential, commercial, industrial, or other like facilities or will facilitate a school consolidation program). The system, in conjunction with the Interstate System and other Federal-aid highways in the region will provide a highway system which will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access. The provisions of title 23, United States Code, that are applicable to Federal-aid primary highways, and which the Secretary determines are not inconsistent with this Act, shall apply to the Appalachian development highway system.

(b) As soon as feasible, the Commission shall submit to the Secretary its recommendations with respect to (1) the general corridor location and termini of the development highways, (2) the designation of local access roads to be constructed, (3) priorities for construction of the local access roads and of the major segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such recommendations, he shall have obtained the recommendations of the State highway department of the State which he represents.

(c) The Secretary shall have authority to approve in whole or in part such recommendations or to require modifications or revisions thereof. In no event shall the Secretary approve any recommendations for any construction which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriation authorizations in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and shall be required to be maintained by the State.

(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of mineral resource materials indigenous to the Appalachian region.

(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Secretary determines, pursuant to the recommendation of the Commission, that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

(g) To carry out this section, there is hereby authorized to be appropriated \$840,000,000.

## DEMONSTRATION HEALTH FACILITIES

SEC. 202. (a) In order to demonstrate the value of adequate health and medical facilities to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction, equipment, and operation of multicounty demonstration health facilities, including hospitals, regional health diagnostic and treatment centers, and other facilities necessary to health. Grants for such construction (including initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291-291z) and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), without regard to any provisions therein relating to appropriation authorization ceiling or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) No grant under this section for construction (including initial equipment) shall exceed 80 per centum of the cost of the project. Not to exceed \$41,000,000 of the funds authorized in section 401 shall be available for construction grants under this section.

(c) Grants under this section for operation (including equipment other than initial equipment) of a project may be made up to 100 per centum of the costs thereof for the two-year period beginning on the first day such project is in operation as a health facility. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grants for operation of a project shall be made after five years following the commencement of such operations. Not to exceed \$28,000,000 of the funds authorized in section 401 of this Act shall be available for operating grants under this section.

## LAND IMPROVEMENT AND EROSION CONTROL

SEC. 203. (a) In order to promote the conservation and fuller utilization of the region's important land and water resources, the Secretary of Agriculture is authorized to make grants to landowners to assist in the improvement and development of land for pasture and erosion control in the region. Grants to any landowner under this section shall not exceed 80 per centum of the cost of improving and developing twenty-five acres of land owned by such landowner. Such improvement and development of land shall be carried out under the provisions of an agreement to be entered into by the landowner and the Secretary of Agriculture, for such period not to exceed ten years as the Secretary may determine, which shall include such terms and conditions as the Secretary may deem necessary to effectuate the purposes of this section and to assure that such improvement and development of land will be properly established, and adequately maintained during the period of agreement, in accordance with technically sound standards and procedures.

(b) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service, and the State and local committees provided for in section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(b)), and is authorized to utilize the facilities, services, and authorities of the Commodity Credit Corporation. The Corporation shall not make any expenditures to carry out the provisions of this subsection unless funds specifically appropriated for such purpose have been transferred to it.

(c) Not to exceed \$17,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

## TIMBER DEVELOPMENT ORGANIZATIONS

SEC. 204. (a) In order that the region shall more fully benefit from the timber stands that are one of its prime assets, the Secretary of Agriculture is authorized to—

- (1) provide technical assistance in the organization and operation, under State law, of private timber development organizations having as their objective the carrying out of timber development programs to improve timber productivity, and quality, and increase returns to landowners through establishment of private nonprofit corporations, which on a self-supporting



basis, may provide (A) continuity of management, good cutting practices, and marketing services, (B) physical consolidation of small holdings or administrative consolidation for efficient management under long-term agreement, (C) management of forest lands, donated to the timber development organizations for demonstrating good forest management, on a profitable and taxpaying basis, and (D) establishment of a permanent fund for perpetuation of the work of the corporations to be composed of donations, real or personal, for educational purposes.

(2) provide not more than one-half of the initial capital requirements of such timber development organizations through loans under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1926 et seq.). Such loans shall not be used for the construction or acquisition of facilities for manufacturing, processing or marketing forest products.

(b) Not to exceed \$5,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### MINING AREA RESTORATION

SEC. 205. (a) In order to further the economic development of the region by rehabilitating areas presently damaged by deleterious mining practices, the Secretary of the Interior is authorized to—

(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines in accordance with the provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formations, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act.

(2) plan and execute projects for extinguishing underground and outcrop mine fires in the region in accordance with the provisions of the Act of August 31, 1954 (30 U.S.C. 551 et seq.), without regard to any provisions therein relating to annual appropriation authorization ceilings. Grants under this paragraph shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act.

(3) expand and accelerate fish and wildlife restoration projects in the region in accordance with the provisions of the Act of September 2, 1937, (16 U.S.C. 669 et seq.), and the Act of August 9, 1950 (16 U.S.C. 777 et seq.), without regard to any provisions therein relating to apportionments among the States and to limitations on the availability of funds. The expenses of projects under this paragraph shall be paid solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the apportionments among the States pursuant to any other provisions of law.

(b) For the fiscal years 1966 and 1967, notwithstanding any other provision of law, the Federal share of mining area restoration projects carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. Strip mine restoration projects shall be carried out only on lands, public or private, on which there is provided access and use by the public to assure an adequate public benefit.

(c) The Congress hereby declares its intent to provide for a study of a comprehensive, long-range program for the purpose of reclaiming and rehabilitating strip and surface mining areas in the United States. To this general end, the Secretary of the Interior shall, in full cooperation with the Secretary of Agriculture, the Tennessee Valley Authority, and other appropriate Federal, State, and local departments and agencies, and with the Commission, make a survey and study of strip and surface mining operations and their effects in the United States. The Secretary of the Interior shall submit to the President his recommendations for a long-range comprehensive program for reclamation and rehabilitation of strip and surface mining areas in the United States and for the policies under which the program should be conducted, and the President shall submit these to the Congress, together with his recommendations, not later than July 1, 1967. By July 1, 1966, the Secretary shall make an interim report to the Commission summarizing his findings to that date on those aspects of strip and surface mining operations in the region that are most urgently in need of atten-

tion. Such study and recommendations shall include, but not be limited to, a consideration of the following matters—

(1) the nature and extent of strip and surface mining operations in the United States and the conditions resulting therefrom;

(2) the ownership of the real property involved in strip and surface mining operations;

(3) the effectiveness of past action by States or local units of government to remedy the adverse effects of strip and surface mining operation by financial or regulatory measures, and requirements for appropriate State legislation, including adequate enforcement thereof, to provide for proper reclamation and rehabilitation of areas which may be strip and surface mined in the future;

(4) the public interest in and public benefits which may result from reclamation, rehabilitation, and appropriate development and use of areas subjected to strip and surface mining operations, including (A) economic development growth, (B) public recreation, (C) public health and safety, (D) water pollution, stream sedimentation, erosion control, and flood control, (E) highway programs, (F) fish and wildlife protection and restoration, (G) scenic values, and (H) forestry and agriculture;

(5) the appropriate roles of Federal, State, and private interests in the reclamation and rehabilitation of strip and surface mining areas and the relative costs to be borne by each, including specific consideration of (A) the extent, if any, to which strip and surface mine operators are unable to bear the cost of remedial action within the limits imposed by the economics of such mining activity, and (B) the extent to which the prospective value of lands and other natural resources, after remedial work has been completed, would be inadequate to justify the landowners doing the remedial work at their expense; and

(6) the objectives and the total overall costs of a program for accomplishing the reclamation and rehabilitation of existing strip and surface mining areas in the United States, giving adequate consideration to (A) the economic benefits in relation to costs, (B) the prevention of future devastation of reclaimed and rehabilitated areas, (C) the avoidance of unwarranted financial gain to private owners of improved property, and (D) the types of aid required to accomplish such reclamation and rehabilitation.

(d) Not to exceed \$21,500,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### WATER RESOURCE SURVEY

SEC. 206. (a) The Secretary of the Army is hereby authorized and directed to prepare a comprehensive plan for the development and efficient utilization of the water and related resources of the Appalachian region, giving special attention to the need for an increase in the production of economic goods and services within the region as a means of expanding economic opportunities and thus enhancing the welfare of its people, which plan shall constitute an integral and harmonious component of the regional economic development program authorized by this Act.

(b) This plan may recommend measures for the control of floods, the regulation of the rivers to enhance their value as sources of water supply for industrial and municipal development, the generation of hydroelectric power, the prevention of water pollution by drainage from mines, the development and enhancement of the recreational potentials of the region, the improvement of the rivers for navigation where this would further industrial development at less cost than would the improvement of other modes of transportation, the conservation and efficient utilization of the land resources, and such other measures as may be found necessary to achieve the objectives of this section.

(c) To insure that the plan prepared by the Secretary of the Army shall constitute a harmonious component of the regional program, he shall consult with the Commission and the following: the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Health, Education, and Welfare, the Secretary of the Interior, the Tennessee Valley Authority, and the Federal Power Commission.

(d) The plan prepared pursuant to this section shall be submitted to the Commission. The Commission shall submit the plan to the President with a statement of its views, and the President shall submit the plan to the Congress with his recommendations not later than December 31, 1968.

(e) The Federal agencies referred to in subsection (c) of this section are hereby authorized to assist the Secretary of the Army in the preparation of



the plan authorized by this section, and the Secretary of the Army is authorized to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to the preparation of this plan and on such terms as he may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

(f) The plan to be prepared by the Secretary of the Army pursuant to this section shall also be coordinated with all comprehensive river basin plans heretofore or hereafter developed by United States study commissions, interagency committees, or similar planning bodies, for those river systems draining the Appalachian region.

(g) Not to exceed \$5,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

## PART B—SUPPLEMENTATIONS AND MODIFICATIONS OF EXISTING PROGRAMS

### VOCATIONAL EDUCATION FACILITIES

SEC. 211. (a) In order to provide basic facilities to give the people of the region the training and education they need to obtain employment, the Secretary of Health, Education, and Welfare is authorized to make grants for construction of the school facilities needed for the provision of vocational education in areas of the region in which such education is not now adequately available. Such grants shall be made in accordance with the provisions of the Vocational Education Act of 1963 (77 Stat. 403), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) Not to exceed \$16,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

### SEWAGE TREATMENT WORKS

SEC. 212. (a) In order to provide facilities to assist in the prevention of pollution of the region's streams and to protect the health and welfare of its citizens, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction of sewage treatment works in accordance with the provisions of the Federal Water Pollution Control Act (33 U.S.C. 466 et seq.), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States pursuant to any other provision of law.

(b) Not to exceed \$6,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

### AMENDMENTS TO HOUSING ACT OF 1954

SEC. 213. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking the word "and" at the end of paragraph (7), by substituting for the period at the end of paragraph (8) the phrase "; and", and by adding a new paragraph (9) to read as follows:

"(9) the Appalachian Regional Commission, established by the Appalachian Regional Development Act of 1965, for comprehensive planning for the Appalachian region as defined by section 403 of such Act."

(b) Section 701(b) of the Housing Act of 1954 (40 U.S.C. 461(b)), is amended by adding before the period at the end of the first sentence the following: ", or to the Appalachian Regional Commission".

### SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they

are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary of Commerce is authorized, pursuant to specific recommendations of the Commission approved by him and after consultation with the appropriate Federal officials, to allocate funds appropriated to carry out this section to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of such Federal grant-in-aid programs. Funds so allocated shall be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such project otherwise authorized by the applicable law. Funds shall be so allocated for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Such allocations shall be available without regard to any appropriation authorization ceilings in such Act.

(b) The Federal portion of such costs shall not be increased in excess of the percentages established by regulations promulgated by the Secretary of Commerce, and such regulations shall in no event authorize the Federal portion of such costs to exceed 80 per centum thereof.

(c) The term "Federal grant-in-aid programs" as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other Federal grant-in-aid programs authorized on or before the effective date of this Act by Acts other than this Act for the acquisition of land and the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

(d) Not to exceed \$90,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

## PART C—GENERAL PROVISIONS

### MAINTENANCE OF EFFORT

SEC. 221. No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds, exclusive of Federal funds, for the benefit of the area within the State located in the region are maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act. In computing the average level of expenditure for its last two fiscal years, a State's past expenditure for participation in the National System of Interstate and Defense Highways shall not be included. The Commission shall recommend to the President or such Federal officer or officers as the President may designate, a lesser requirement when it finds that a substantial population decrease in that portion of a State which lies within the region would not justify a State expenditure equal to the average level of the last two years or when it finds that a State's average level of expenditure, within an individual program, has been disproportionate to the present need for that portion of the State which lies within the region.

### CONSENT OF STATES

SEC. 222. Nothing contained in this Act shall be interpreted as requiring any State to engage in or accept any program under this Act without its consent.

### PROGRAM IMPLEMENTATION

SEC. 223. A program authorized under any section of this title shall not be implemented until (1) the Commission has consulted with the appropriate official or officials concerned with such program as may be designated by the Governor or Governors of the State or States involved and has obtained the recom-



mendations of such official or officials with respect to such program and (2) plans with respect to such program have been recommended by the Commission and have been submitted to and approved or modified by the President or such Federal officer or officers as the President may designate.

#### PROGRAM DEVELOPMENT CRITERIA

SEC. 224. (a) In developing recommendations on the programs and projects to be given assistance under this Act, and in establishing within those recommendations a priority ranking of the requests for assistance presented to the Commission, the Commission shall follow procedures that will insure consideration of the following factors:

(1) the relationship of the project or class of projects to overall regional development including its location in an area determined by the State to have the greatest potential for growth;

(2) the population and area to be served by the project or class of projects including the relative per capita income and the unemployment rates in the area;

(3) the relative financial resources available to the State or political subdivisions or instrumentalities thereof which seek to undertake the projects;

(4) the importance of the project or class of projects in relation to other projects or classes of projects which may be in competition for the same funds;

(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic and social development of the area served by the project.

(b) Nothing in this Act shall authorize any assistance under this Act to be used (1) in relocating establishments from one area to another; (2) to finance the cost of industrial plants, commercial facilities, machinery, working capital; (3) to finance the cost of facilities for the generation, transmission, or distribution of electric energy; or (4) to finance the cost of facilities for the production, transmission, or distribution of gas (natural, manufactured, or mixed).

### TITLE III—ADMINISTRATION

#### LOCAL DEVELOPMENT DISTRICTS—CERTIFICATION

SEC. 301. For the purposes of this Act, a "local development district" shall be an entity certified to the Commission either by the Governor of the State or States in which such entity is located, or by the State officer designated by the appropriate State law to make such certification, as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region. No entity shall be certified as a local development district for the purposes of this Act unless it is one of the following:

(1) a nonprofit incorporated body organized or chartered under the law of the State in which it is located;

(2) a nonprofit agency or instrumentality of a State or local government;

(3) a nonprofit agency or instrumentality created through an interstate compact; or

(4) a nonprofit association or combination of such bodies, agencies, and instrumentalities.

#### GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS

SEC. 302. (a) The Secretary of Commerce is authorized—

(1) either directly or through arrangements with the Commission, to make grants for administrative expenses to local development districts. The amount of any such grant shall not exceed 75 per centum of such expenses in any one fiscal year. No grants for administrative expenses shall be made to a local development district for a period in excess of three years beginning on the date the initial grant is made to such development district. The local contributions for administrative expenses may be in cash or in kind,

fairly evaluated, including but not limited to space, equipment, and services; and

(2) either directly or through arrangements with appropriate public or private organizations (including the Commission), to provide funds for investigation, research, studies, and demonstration projects, but not for construction purposes, which will further the purposes of this Act.

(b) Not to exceed \$5,500,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### PROJECT APPROVAL

SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made only by a State, a political subdivision of a State, or a local development district. Each such application shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate such application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance by the Commission.

#### ANNUAL REPORT

SEC. 304. Not later than six months after the close of each fiscal year, the Commission shall prepare and submit to the Governor of each State in the region and to the President, for transmittal to the Congress, a report on the activities carried out under this Act during such year.

### TITLE IV—APPROPRIATIONS AND MISCELLANEOUS PROVISIONS

#### AUTHORIZATION OF APPROPRIATIONS

SEC. 401. In addition to the appropriations authorized in section 201 for the Appalachian development highway system, there is hereby authorized to be appropriated for the period ending June 30, 1967, to be available until expended, not to exceed \$237,200,000 to carry out this Act.

#### APPLICABLE LABOR STANDARDS

SEC. 402. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting and decorating, of projects, buildings, and works which are financially assisted through the Federal funds authorized under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

#### DEFINITION OF APPALACHIAN REGION

SEC. 403. As used in this Act, the term "Appalachian region" or "the region" means that area of the eastern United States consisting of the following counties (including any political subdivision located within such area):

In Alabama, the counties of Bibb, Blount, Calhoun, Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, De Kalb, Elmore, Etowah, Fayette, Franklin, Jackson, Jefferson, Lawrence, Limestone, Madison, Marion, Marshall, Morgan, Randolph, Saint Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, and Winston;

In Georgia, the counties of Banks, Barrow, Bartow, Carroll, Catoosa, Chattooga, Cherokee, Dade, Dawson, Douglas, Fannin, Floyd, Forsyth, Franklin, Gilmer, Gordon, Gwinnett, Habersham, Hall, Haralson, Heard, Jackson, Lumpkin, Madison, Murray, Paulding, Pickens, Polk, Rabun, Stephens, Towns, Union, Walker, White, and Whitefield;

In Kentucky, the counties of Adair, Bath, Bell, Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton, Cumberland, Elliott, Estill, Fleming, Floyd, Garrard, Green, Greenup, Harlan, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Lincoln, McCreary, Madison, Magoffin,



Martin, Menifee, Monroe, Montgomery, Morgan, Owsley, Perry, Pike, Powell, Pulaski, Rockcastle, Rowan, Russell, Wayne, Whitley, and Wolfe;

In Maryland, the counties of Allegany, Garrett, and Washington;

In North Carolina, the counties of Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Davie, Forsyth, Graham, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Mitchell, Polk, Rutherford Stokes, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey;

In Ohio, the counties of Adams, Athens, Belmont, Brown, Clermont, Gallia, Guernsey, Harrison, Highland, Hocking, Jackson, Jefferson, Lawrence, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross, Scioto, Vinton, and Washington;

In Pennsylvania, the counties of Allegheny, Armstrong, Beaver, Bedford, Blair, Bradford, Butler, Cambria, Cameron, Carbon, Centre, Clarion, Clearfield, Clinton, Columbia, Crawford, Elk, Erie, Fayette, Forest, Fulton, Greene, Huntingdon, Indiana, Jefferson, Juniata, Lackawanna, Lawrence, Luzerne, Lycoming, McKean, Mercer, Mifflin, Monroe, Montour, Northumberland, Perry, Pike, Potter, Schuylkill, Snyder, Somerset, Sullivan, Susquehanna, Tioga, Union, Venango, Warren, Washington, Wayne, Westmoreland, and Wyoming;

In South Carolina, the counties of Anderson, Cherokee, Greenville, Oconee, Pickens, and Spartanburg;

In Tennessee, the counties of Anderson, Bledsoe, Blount, Bradley, Campbell, Carter, Claiborne, Clay, Cocke, Coffee, Cumberland, De Kalb, Fentress, Franklin, Grainger, Greene, Grundy, Hamblen, Hamilton, Hancock, Hawkins, Jackson, Jefferson, Johnson, Knox, Loudon, McMinn, Macon, Marion, Meigs, Monroe, Morgan, Overton, Pickett, Polk, Putnam, Rhea, Roane, Scott, Sequatchie, Sevier, Smith, Sullivan, Unicoi, Union, Van Buren, Warren, Washington, and White;

In Virginia, the counties of Alleghany, Bath, Bland, Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd, Giles, Grayson, Highland, Lee, Pulaski, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe.

All the counties of West Virginia.

#### SEVERABILITY

SEC. 404. If any provision of this Act, or the applicability thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

#### TERMINATION

SEC. 405. This Act shall cease to be in effect on July 1, 1971.

[S. 3, 89th Cong., 1st sess.]

AN ACT To provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act may be cited as the "Appalachian Regional Development Act of 1965".

#### FINDINGS AND STATEMENT OF PURPOSE

SEC. 2. The Congress hereby finds and declares that the Appalachian region of the United States, while abundant in natural resources and rich in potential, lags behind the rest of the Nation in its economic growth and that its people have not shared properly in the Nation's prosperity. The region's uneven past development, with its historical reliance on a few basic industries and a marginal agriculture, has failed to provide the economic base that is a vital prerequisite for vigorous, self-sustaining growth. The State and local governments and the people of the region understand their problems and have been working and will continue to work purposefully toward their solution. The Congress recognizes the comprehensive report of the President's Appalachian Regional Commission documenting these findings and concludes that regionwide development is feasible, desirable, and urgently needed. It is, therefore, the purpose of this

Act to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis. The public investments made in the region under this Act shall be concentrated in areas where there is a significant potential for future growth, and where the expected return on public dollars invested will be the greatest. The States will be responsible for recommending local and State projects, within their borders, which will receive assistance under this Act. As the region obtains the needed physical and transportation facilities and develops its human resources, the Congress expects that the region will generate a diversified industry, and that the region will then be able to support itself, through the workings of a strengthened free enterprise economy.

## TITLE I—THE APPALACHIAN REGIONAL COMMISSION

### MEMBERSHIP AND VOTING

SEC. 101. (a) There is hereby established an Appalachian Regional Commission (hereinafter referred to as the "Commission") which shall be composed of one Federal member, hereinafter referred to as the "Federal Cochairman", appointed by the President by and with the advice and consent of the Senate, and one member from each participating State in the Appalachian region. The Federal Cochairman shall be one of the two Cochairmen of the Commission. Each State member may be the Governor, or his designee, or such other person as may be provided by the law of the State which he represents. The State members of the Commission shall elect a Cochairman of the Commission from among their number.

(b) Except as provided in section 105, decisions by the Commission shall require the affirmative vote of the Federal Cochairman and of a majority of the State members (exclusive of members representing States delinquent under section 105). In matters coming before the Commission, the Federal Cochairman shall, to the extent practicable, consult with the Federal departments and agencies having an interest in the subject matter.

(c) Each State member shall have an alternate, appointed by the Governor or as otherwise may be provided by the law of the State which he represents. The President, by and with the advice and consent of the Senate, shall appoint an alternate for the Federal Cochairman. An alternate shall vote in the event of the absence, death, disability, removal, or resignation of the State or Federal representative for which he is an alternate.

(d) The Federal Cochairman shall be compensated by the Federal Government at level IV of the Federal Executive Salary Schedule of the Federal Executive Salary Act of 1964. His alternate shall be compensated by the Federal Government at not to exceed the maximum scheduled rate for grade GS-18 of the Classification Act of 1949, as amended, and when not actively serving as an alternate for the Federal Cochairman shall perform such functions and duties as are delegated to him by the Federal Cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by the law of such State.

### FUNCTIONS OF THE COMMISSION

SEC. 102. In carrying out the purposes of this Act, the Commission shall—

(1) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

(2) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

(3) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region;



(4) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation;

(5) encourage the formation of local development districts;

(6) encourage private investment in industrial, commercial, and recreational projects;

(7) serve as a focal point and coordinating unit for Appalachian programs;

(8) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences; and

(9) advise the Secretary of Commerce on applications for grants for administrative expenses to local development districts.

#### RECOMMENDATIONS

SEC. 103. The Commission may, from time to time, make recommendations to the President and to the State Governors and appropriate local officials with respect to—

(1) the expenditure of funds by Federal, State, and local departments and agencies in the region in the fields of natural resources, agriculture, education, training, health and welfare, and other fields related to the purposes of this Act; and

(2) such additional Federal, State, and local legislation or administrative actions as the Commission deems necessary to further the purposes of this Act.

#### LIAISON BETWEEN FEDERAL GOVERNMENT AND THE COMMISSION

SEC. 104. The President shall provide effective and continuing liaison between the Federal Government and the Commission and a coordinated review within the Federal Government of the plans and recommendations submitted by the Commission pursuant to sections 102 and 103.

#### ADMINISTRATIVE EXPENSES OF THE COMMISSION

SEC. 105. (a) For the period ending on June 30 of the second full Federal fiscal year following the date of enactment of this Act, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid equally by the Federal Government and the States in the region. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

(b) Not to exceed \$2,200,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### ADMINISTRATIVE POWERS OF COMMISSION

SEC. 106. To carry out its duties under this Act, the Commission is authorized to—

(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions.

(2) appoint and fix the compensation of an executive director and such other personnel as may be necessary to enable the Commission to carry out its functions, except that such compensation shall not exceed the salary of the alternate to the Federal Cochairman on the Commission as provided in section 101. No member, alternate, officer, or employee of the Commission, other than the Federal Cochairman on the Commission, his staff, and his alternate and Federal employees detailed to the Commission under paragraph (3) shall be deemed a Federal employee for any purpose.

(3) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the Commission

such personnel within his administrative jurisdiction as the Commission may need for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status.

(4) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency.

(5) make arrangements, including contracts, with any participating State government for inclusion in a suitable retirement and employee benefit system of such of its personnel as may not be eligible for, or continue in, another governmental retirement or employee benefit system, or otherwise provide for such coverage of its personnel. The Civil Service Commission of the United States is authorized to contract with the Commission for continued coverage of Commission employees, who at date of Commission employment are Federal employees, in the retirement program and other employee benefit programs of the Federal Government.

(6) accept, use, and dispose of gifts or donations of services or property, real, personal, or mixed, tangible or intangible.

(7) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

(8) maintain a temporary office in the District of Columbia and establish a permanent office at such a central and appropriate location as it may select and field offices at such other places as it may deem appropriate.

(9) take such other actions and incur such other expenses as may be necessary or appropriate.

#### INFORMATION

SEC. 107. In order to obtain information needed to carry out its duties, the Commission shall—

(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable, a Cochairman of the Commission, or any member of the Commission designated by the Commission for the purpose, being hereby authorized to administer oaths when it is determined by the Commission that testimony shall be taken or evidence received under oath;

(2) arrange for the head of any Federal, State, or local department or agency (who is hereby so authorized to the extent not otherwise prohibited by law) to furnish to the Commission such information as may be available to or procurable by such department or agency; and

(3) keep accurate and complete records of its doings and transactions which shall be made available for public inspection, and for the purpose of audit and examination by the Comptroller General or his duly authorized representatives.

#### PERSONAL FINANCIAL INTERESTS

SEC. 108. (a) Except as permitted by subsection (b) hereof, no State member or alternate and no officer or employee of the Commission shall participate personally and substantially as member, alternate, officer, or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization (other than a State or political subdivision thereof) in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Any person who shall violate the provisions of this subsection shall be fined not more than \$10,000, or imprisoned not more than two years, or both.

(b) Subsection (a) hereof shall not apply if the State member, alternate, officer, or employee first advises the Commission of the nature and circumstances of the proceeding, application, request for a ruling or other determina-



tion, contract, claim, controversy, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by the Commission that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Commission may expect from such State member, alternate, officer, or employee.

(c) No State member or alternate shall receive any salary, or any contribution to or supplementation of salary for his services on the Commission from any source other than his State. No person detailed to serve the Commission under authority of paragraph (4) of section 106 shall receive any salary or any contribution to or supplementation of salary for his services on the Commission from any source other than the State, local, or intergovernmental department or agency from which he was detailed or from the Commission. Any person who shall violate the provisions of this subsection shall be fined not more than \$5,000, or imprisoned not more than one year, or both.

(d) Notwithstanding any other subsection of this section, the Federal Co-chairman and his alternate on the Commission and any Federal officers or employees detailed to duty with it pursuant to paragraph (3) of section 106 shall not be subject to any such subsection but shall remain subject to sections 202 through 209 of title 18, United States Code.

(e) The Commission may, in its discretion, declare void and rescind any contract, loan, or grant of or by the Commission in relation to which it finds that there has been a violation of subsection (a) or (c) of this section, or any of the provisions of sections 202 through 209, title 18, United States Code.

## TITLE II—SPECIAL APPALACHIAN PROGRAMS

### PART A—NEW PROGRAMS

#### APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

SEC. 201. (a) The Secretary of Commerce (hereafter in this section referred to as the "Secretary") is authorized to assist in the construction of an Appalachian development highway system serving the Appalachian region (the length of which shall not exceed two thousand three hundred and fifty miles. In addition thereto, there are authorized to be constructed not in excess of one thousand miles of local access roads, that will serve specific recreational, residential, commercial, industrial, or other like facilities or will facilitate a school consolidation program). The system, in conjunction with the Interstate System and other Federal-aid highways in the region will provide a highway system which will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access. The provisions of title 23, United States Code, that are applicable to Federal-aid primary highways, and which the Secretary determines are not inconsistent with this Act, shall apply to the Appalachian development highway system, and the local access roads.

(b) As soon as feasible, the Commission shall submit to the Secretary its recommendations with respect to (1) the general corridor location and termini of the development highways, (2) the designation of local access roads to be constructed, (3) priorities for construction of the local access roads and of the major segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such recommendations, he shall have obtained the recommendations of the State highway department of the State which he represents.

(c) The Secretary shall have authority to approve in whole or in part such recommendations or to require modifications or revisions thereof. In no event shall the Secretary approve any recommendations for any construction which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriation authorizations in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and shall be required to be maintained by the State.

(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of mineral resource materials indigenous to the Appalachian region.

(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the maximum extent possible, to use coal

derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Secretary determines, pursuant to the recommendation of the Commission, that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

(g) To carry out this section, there is hereby authorized to be appropriated \$840,000,000.

#### DEMONSTRATION HEALTH FACILITIES

SEC. 202. (a) In order to demonstrate the value of adequate health and medical facilities to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction, equipment, and operation of multicounty demonstration health facilities, including hospitals, regional health diagnostic and treatment centers, and other facilities necessary to health. Grants for such construction (including initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291-291z) and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), without regard to any provisions therein relating to appropriation authorization ceiling or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) No grant under this section for construction (including initial equipment) shall exceed 80 per centum of the cost of the project. Not to exceed \$41,000,000 of the funds authorized in section 401 shall be available for construction grants under this section.

(c) Grants under this section for operation (including equipment other than initial equipment) of a project may be made up to 100 per centum of the costs thereof for the two-year period beginning on the first day such project is in operation as a health facility. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grants for operation of a project shall be made after five years following the commencement of such operations. Not to exceed \$28,000,000 of the funds authorized in section 401 of this Act shall be available for operating grants under this section.

#### LAND STABILIZATION, CONSERVATION, AND EROSION CONTROL

SEC. 203. (a) In order to provide for the control and prevention of erosion and sediment damages in the Appalachian region and to promote the conservation and development of the soil and water resources of the region, the Secretary of Agriculture is authorized to enter into agreements of not more than ten years with landowners, operators, and occupiers, individually or collectively, in the Appalachian region determined by him to have control for the period of the agreement of the lands described therein, providing for land stabilization, erosion and sediment control, and reclamation through changes in land use, and conservation treatment including the establishment of practices and measures for the conservation and development of soil, water, woodland, wildlife, and recreation resources.

(b) The landowner, operator, or occupier shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the appropriate and safe land uses and conservation treatment mutually agreed by the Secretary and the landowner operator, or occupier to be needed on the lands for which the plan was prepared.

(c) Such plan shall be incorporated in an agreement under which the landowner, operator, or occupier shall agree with the Secretary of Agriculture to carry out the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

(d) In return for such agreement by the landowner, operator, or occupier the Secretary of Agriculture shall be authorized to furnish financial and other assistance to such landowner, operator, or occupier in such amounts and subject to such conditions as the Secretary determines are appropriate and in the public interest for the carrying out of the land uses and conservation treatment set forth



in the agreement: *Provided*, That grants hereunder shall not exceed 80 per centum of the cost of carrying out such land uses and conservation treatment on fifty acres of land occupied by such owner, operator, or occupier.

(e) The Secretary of Agriculture may terminate any agreement with a landowner, operator, or occupier by mutual agreement if the Secretary determines that such termination would be in the public interest, and may agree to such modification of agreements previously entered into hereunder as he deems desirable to carry out the purposes of this section or to facilitate the practical administration of the program authorized herein.

(f) Notwithstanding any other provision of law, the Secretary of Agriculture to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (2) surrender of any such history and allotments.

(g) The Secretary of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section.

(h) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service, and the State and local committees provided for in section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(b)), and is authorized to utilize the facilities, services, and authorities of the Commodity Credit Corporation. The Corporation shall not make any expenditures to carry out the provisions of this subsection unless funds specifically appropriated for such purpose have been transferred to it.

(i) Not to exceed \$17,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### TIMBER DEVELOPMENT ORGANIZATIONS

SEC. 204. (a) In order that the region shall more fully benefit from the timber stands that are one of its prime assets, the Secretary of Agriculture is authorized to—

(1) provide technical assistance in the organization and operation, under State law, of private timber development organizations having as their objective the carrying out of timber development programs to improve timber productivity and quality, and increase returns to landowners through establishment of private nonprofit corporations, which on a self-supporting basis may provide (A) continuity of management, good cutting practices, and marketing services, (B) physical consolidation of small holdings or administrative consolidation for efficient management under long-term agreement, (C) management of forest lands, donated to the timber development organizations for demonstrating good forest management, on a profitable and taxpaying basis, and (D) establishment of a permanent fund for perpetuation of the work of the corporations to be composed of donations, real or personal, for educational purposes.

(2) provide not more than one-half of the initial capital requirements of such timber development organizations through loans under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1926 et seq.). Such loans shall not be used for the construction or acquisition of facilities for manufacturing, processing, or marketing forest products, or for physical consolidation of small timber holdings authorized by (1) (B) above except for the establishment of demonstration units.

(b) Not to exceed \$5,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### MINING AREA RESTORATION

SEC. 205. (a) In order to further the economic development of the region by rehabilitating areas presently damaged by deleterious mining practices, the Secretary of the Interior is authorized to—

(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines, and to reclaim and rehabilitate existing strip and surface mine areas, in accordance with provisions of the Act of July

15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act.

(2) plan and execute projects for extinguishing underground and outcrop mine fires in the region in accordance with the provisions of the Act of August 31, 1954 (30 U.S.C. 551 et seq.), without regard to any provisions therein relating to annual appropriation authorization ceilings. Grants under this paragraph shall be made solely out of funds specifically appropriated for the purposes of carrying out this Act.

(3) expand and accelerate fish and wildlife restoration projects in the region in accordance with the provisions of the Act of September 2, 1937 (16 U.S.C. 669 et seq.), and the Act of August 9, 1950 (16 U.S.C. 777 et seq.), without regard to any provisions therein relating to apportionments among the States and to limitations on the availability of funds. The expenses of projects under this paragraph shall be paid solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the apportionments among the States pursuant to any other provisions of law.

(b) For the fiscal years 1966 and 1967, notwithstanding any other provision of law, the Federal share of mining area restoration projects carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof.

(c) The Congress hereby declares its intent to provide for a study of a comprehensive, long-range program for the purpose of reclaiming and rehabilitating strip and surface mining areas in the United States. To this general end, the Secretary of the Interior shall, in full cooperation with the Secretary of Agriculture, the Tennessee Valley Authority, and other appropriate Federal, State, and local departments and agencies, and with the Commission, make a survey and study of strip and surface mining operations and their effects in the United States. The Secretary of the Interior shall submit to the President his recommendations for a long-range comprehensive program for reclamation and rehabilitation of strip and surface mining areas in the United States and for the policies under which the program should be conducted, and the President shall submit these to the Congress, together with his recommendations, not later than July 1, 1967. By July 1, 1966, the Secretary shall make an interim report to the Commission summarizing his findings to that date on those aspects of strip and surface mining operations in the region that are most urgently in need of attention. Such study and recommendations shall include, but not be limited to, a consideration of the following matters—

(1) the nature and extent of strip and surface mining operations in the United States and the conditions resulting therefrom;

(2) the ownership of the real property involved in strip and surface mining operations;

(3) the effectiveness of past action by States or local units of government to remedy the adverse effects of strip and surface mining operation by financial or regulatory measures, and requirements for appropriate State legislation, including adequate enforcement thereof, to provide for proper reclamation and rehabilitation of areas which may be strip and surface mined in the future;

(4) the public interest in and public benefits which may result from reclamation, rehabilitation, and appropriate development and use of areas subjected to strip and surface mining operations, including (A) economic development growth, (B) public recreation, (C) public health and safety, (D) water pollution, stream sedimentation, erosion control, and flood control, (E) highway programs, (F) fish and wildlife protection and restoration, (G) scenic values, and (H) forestry and agriculture;

(5) the appropriate roles of Federal, State, and private interests in the reclamation and rehabilitation of strip and surface mining areas and the relative costs to be borne by each, including specific consideration of (A) the extent, if any, to which strip and surface mine operators are unable to bear the cost of remedial action within the limits imposed by the economics of such mining activity, and (B) the extent to which the prospective value of lands and other natural resources, after remedial work has been completed, would be inadequate to justify the landowners doing the remedial work at their expense; and



(6) the objectives and the total overall costs of a program for accomplishing the reclamation and rehabilitation of existing strip and surface mining areas in the United States, giving adequate consideration to (A) the economic benefits in relation to costs, (B) the prevention of future devastation of reclaimed and rehabilitated areas, (C) the avoidance of unwarranted financial gain to private owners of improved property, and (D) the types of aid required to accomplish such reclamation and rehabilitation.

(d) Not to exceed \$36,500,000 of the funds authorized in section 401 of this Act shall be available to carry out this section. No moneys authorized by this Act shall be expended for the purposes of reclaiming, improving, grading, seeding, or reforestation of strip-mined areas (except on lands owned by Federal, State, or local bodies of government) until authorized by law after completion of the study and report to the President as provided in subsection (c) of this section.

#### WATER RESOURCE SURVEY

SEC. 206. (a) The Secretary of the Army is hereby authorized and directed to prepare a comprehensive plan for the development and efficient utilization of the water and related resources of the Appalachian region, giving special attention to the need for an increase in the production of economic goods and services within the region as a means of expanding economic opportunities and thus enhancing the welfare of its people, which plan shall constitute an integral and harmonious component of the regional economic development program authorized by this Act.

(b) This plan may recommend measures for the control of floods, the regulation of the rivers to enhance their value as sources of water supply for industrial and municipal development, the generation of hydroelectric power, the prevention of water pollution by drainage from mines, the development and enhancement of the recreational potentials of the region, the improvement of the rivers for navigation where this would further industrial development at less cost than would the improvement of other modes of transportation, the conservation and efficient utilization of the land resource, and such other measures as may be found necessary to achieve the objectives of this section.

(c) To insure that the plan prepared by the Secretary of the Army shall constitute a harmonious component of the regional program, he shall consult with the Commission and the following: the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Health, Education, and Welfare, the Secretary of the Interior, the Tennessee Valley Authority, and the Federal Power Commission.

(d) The plan prepared pursuant to this section shall be submitted to the Commission. The Commission shall submit the plan to the President with a statement of its views, and the President shall submit the plan to the Congress with his recommendations not later than December 31, 1968.

(e) The Federal agencies referred to in subsection (c) of this section are hereby authorized to assist the Secretary of the Army in the preparation of the plan authorized by this section, and the Secretary of the Army is authorized to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to the preparation of this plan and on such terms as he may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

(f) The plan to be prepared by the Secretary of the Army pursuant to this section shall also be coordinated with all comprehensive river basin plans heretofore or hereafter developed by United States study commissions, interagency committees, or similar planning bodies, for those river systems draining the Appalachian region.

(g) Not to exceed \$5,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### PART B—SUPPLEMENTATIONS AND MODIFICATIONS OF EXISTING PROGRAMS

##### VOCATIONAL EDUCATION FACILITIES

SEC. 211. (a) In order to provide basic facilities to give the people of the region the training and education they need to obtain employment, the Secretary of Health, Education, and Welfare is authorized to make grants for construction of the school facilities needed for the provision of vocational education in areas of the region in which such education is not now adequately available. Such

grants shall be made in accordance with the provisions of the Vocational Education Act of 1963 (77 Stat. 403), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) Not to exceed \$16,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### SEWAGE TREATMENT WORKS

SEC. 212. (a) In order to provide facilities to assist in the prevention of pollution of the region's streams and to protect the health and welfare of its citizens, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction of sewage treatment works in accordance with the provisions of the Federal Water Pollution Control Act (33 U.S.C. 466 et seq.), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States pursuant to any other provision of law.

(b) Not to exceed \$6,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### AMENDMENTS TO HOUSING ACT OF 1954

SEC. 213. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking the word "and" at the end of paragraph (7), by substituting for the period at the end of paragraph (8) the phrase "; and", and by adding a new paragraph (9) to read as follows:

"(9) the Appalachian Regional Commission, established by the Appalachian Regional Development Act of 1965, for comprehensive planning for the Appalachian region as defined by section 403 of such Act."

(b) Section 701(b) of the Housing Act of 1954 (40 U.S.C. 461(b)), is amended by adding before the period at the end of the first sentence the following: ", to State participating in planning for Appalachian regional programs, for expenses incurred in the course of such planning, or to the Appalachian Regional Commission".

#### SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary of Commerce is authorized, pursuant to specific recommendations of the Commission approved by him and after consultation with the appropriate Federal officials, to allocate funds appropriated to carry out this section to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of such Federal grant-in-aid programs. Funds so allocated shall be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such project otherwise authorized by the applicable law. Funds shall be so allocated for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Such allocations shall be available without regard to any appropriation authorization ceilings in such Act.

(b) The Federal portion of such costs shall not be increased in excess of the percentages established by regulations promulgated by the Secretary of Commerce, and such regulations shall in no event authorize the Federal portion of such costs to exceed 80 per centum thereof.

(c) The term "Federal grant-in-aid programs" as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other Federal grant-in-aid programs authorized on or before the effective date of this Act by Acts other than this Act for the acquisition of land and the construction or equipment of facilities, including but



not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

(d) Not to exceed \$90,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

## PART C—GENERAL PROVISIONS

### MAINTENANCE OF EFFORT

SEC. 221. No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds, exclusive of Federal funds, for the benefit of the area within the State located in the region are maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act. In computing the average level of expenditure for its last two fiscal years, a State's past expenditure for participation in the National System of Interstate and Defense Highways shall not be included. The Commission shall recommend to the President or such Federal officer or officers as the President may designate, a lesser requirement when it finds that a substantial population decrease in that portion of a State which lies within the region would not justify a State expenditure equal to the average level of the last two years or when it finds that a State's average level of expenditure, within an individual program, has been disproportionate to the present need for that portion of the State which lies within the region.

### CONSENT OF STATES

SEC. 222. Nothing contained in this Act shall be interpreted as requiring any State to engage in or accept any program under this Act without its consent.

### PROGRAM IMPLEMENTATION

SEC. 223. A program and projects authorized under any section of this title shall not be implemented until (1) the Commission has consulted with the appropriate official or officials concerned with such program and projects as may be designated by the Governor or Governors of the State or States involved and has obtained the recommendations of such official or officials with respect to such program and projects and (2) plans with respect to such program and projects have been recommended by the Commission and have been submitted to and approved or modified by the President or such Federal officer or officers as the President may designate.

### PROGRAM DEVELOPMENT CRITERIA

SEC. 224. (a) In developing recommendations on the programs and projects to be given assistance under this Act, and in establishing within those recommendations a priority ranking of the requests for assistance presented to the Commission, the Commission shall follow procedures that will insure consideration of the following factors:

(1) the relationship of the project or class of projects to overall regional development including its location in an area determined by the State have a significant potential for growth;

(2) the population and area to be served by the project or class of projects including the relative per capita income and the unemployment rates in the area;

(3) the relative financial resources available to the State or political subdivisions or instrumentalities thereof which seek to undertake the project;

(4) the importance of the project or class of projects in relation to other projects or classes of projects which may be in competition for the same funds;

(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic and social development of the area served by the project.

(b) No financial assistance shall be authorized under this Act to be used

- (1) in relocating any establishment or establishments from one area to another;
- (2) to finance the cost of industrial plants, commercial facilities, machinery, working capital, or other industrial facilities or to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors;
- (3) to finance the cost of facilities for the generation, transmission, or distribution of electric energy; or
- (4) to finance the cost of facilities for the production, transmission, or distribution of gas (natural, manufactured, or mixed).

### TITLE III—ADMINISTRATION

#### LOCAL DEVELOPMENT DISTRICTS—CERTIFICATION

SEC. 301. For the purposes of this Act, a "local development district" shall be an entity certified to the Commission either by the Governor of the State or States in which such entity is located, or by the State officer designated by the appropriate State law to make such certification, as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region. No entity shall be certified as a local development district for the purposes of this Act unless it is one of the following:

- (1) a nonprofit incorporated body organized or chartered under the law of the State in which it is located;
- (2) a nonprofit agency or instrumentality of a State or local government;
- (3) a nonprofit agency or instrumentality created through an interstate compact; or
- (4) a nonprofit association or combination of such bodies, agencies, and instrumentalities.

#### GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS

SEC. 302. (a) The Secretary of Commerce is authorized—

(1) either directly or through arrangements with the Commission, to make grants for administrative expenses to local development districts. The amount of any such grant shall not exceed 75 per centum of such expenses in any one fiscal year. No grants for administrative expenses shall be made to a local development district for a period in excess of three years beginning on the date the initial grant is made to such development district. The local contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

(2) either directly or through arrangements with appropriate public or private organizations (including the Commission), to provide funds for investigation, research, studies, and demonstration projects, but not for construction purposes, which will further the purposes of this Act.

(b) Recipients of Federal assistance under the provisions of this section shall, in accordance with regulations to be promulgated by the Secretary of Commerce, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the Secretary of Commerce. The records of the recipient shall be available for audit with respect to such grants by the Secretary of Commerce and the Comptroller General, or their duly authorized representatives.

(c) Not to exceed \$5,500,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.



(d) No part of any appropriated funds may be expended pursuant to authorization given by this Act involving any scientific or technological research or development activity unless such expenditure is conditioned upon provisions effective to insure that all information, copyrights, uses, processes, patents, and other developments resulting from that activity will be made freely available to the general public. Nothing contained in this subsection shall deprive the owner of any background patent relating to any such activity, without his consent, of any right which that owner may have under that patent. Whenever any information, copyright, use, process, patent or development resulting from any such research or development activity conducted in whole or in part with appropriated funds expended under authorization of this Act is withheld or disposed of by any person, organization, or agency in contravention of the provisions of this subsection, the Attorney General shall institute, upon his own motion or upon request made by any person having knowledge of pertinent facts, an action for the enforcement of the provisions of this subsection in the district court of the United States for any judicial district in which any defendant resides, is found, or has a place of business. Such court shall have jurisdiction to hear and determine such action, and to enter therein such orders and decrees as it shall determine to be required to carry into effect fully the provisions of this subsection. Process of the district court for any judicial district in any action instituted under this subsection may be served in any other judicial district of the United States by the United States marshal thereof. Whenever it appears to the court in which any such action is pending that other parties should be brought before the court in such action, the court may cause such other parties to be summoned from any judicial district of the United States.

#### PROJECT APPROVAL

SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made only by a State, a political subdivision of a State, or a local development district. Each such application shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate such application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance by the Commission.

#### ANNUAL REPORT

SEC. 304. Not later than six months after the close of each fiscal year, the Commission shall prepare and submit to the Governor of each State in the region and to the President, for transmittal to the Congress, a report on the activities carried out under this Act during such year.

### TITLE IV—APPROPRIATIONS AND MISCELLANEOUS PROVISIONS

#### AUTHORIZATION OF APPROPRIATIONS

SEC. 401. In addition to the appropriations authorized in section 201 for the Appalachian development highway system, there is hereby authorized to be appropriated for the period ending June 30, 1967, to be available until expended, not to exceed \$252,400,000 to carry out this Act.

#### APPLICABLE LABOR STANDARDS

SEC. 402. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting and decorating, of projects, buildings, and works which are financially assisted through the Federal funds authorized under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

## DEFINITION OF APPALACHIAN REGION

SEC. 403. As used in this Act, the term "Appalachian region" or "the region" means that area of the eastern United States consisting of the following counties (including any political subdivision located within such area) :

In Alabama, the counties of Bibb, Blount, Calhoun, Chambers, Cherokee, Chilton, Clay, Celburne, Colbert, Coosa, Cullman, De Kalb, Elmore, Etowah, Fayette, Franklin, Jackson, Jefferson, Lauderdale, Lawrence, Limestone, Madison, Marion, Marshall, Morgan, Randolph, Saint Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, and Winston ;

In Georgia, the counties of Banks, Barrow, Bartow Carroll, Catoosa, Chattooga, Cherokee, Dade, Dawson, Douglas, Fannin, Floyd, Forsyth, Franklin, Gilmer, Gordon, Gwinnett, Habersham, Hall, Haralson, Heard, Jackson, Lumpkin, Madison, Murray, Paulding, Pickens, Polk, Rabun, Stephens, Towns, Union, Walker, White, and Whitfield ;

In Kentucky, the counties of Adair, Bath, Bell, Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton, Cumberland, Elliott, Estill, Fleming, Floyd, Garrard, Green, Greenup, Harlan, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Lincoln, McCreary, Madison, Magoffin, Martin, Menifee, Monroe, Montgomery, Morgan, Owsley, Perry, Pike, Powell, Pulaski, Rockcastle, Rowan, Russell, Wayne, Whitley, and Wolfe ;

In Maryland, the counties of Allegany, Garret, and Washington ;

In North Carolina, the counties of Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Davie, Forsyth, Graham, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey ;

In Ohio, the counties of Adams, Athens, Belmont, Brown, Carroll, Clermont, Coshocton, Gallia, Guernsey, Harrison, Highland, Hocking, Holmes, Jackson, Jefferson, Lawrence, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross, Scioto, Tuscarawas, Vinton, and Washington ;

In Pennsylvania, the counties of Allegheny, Armstrong, Beaver, Bedford, Blair, Bradford, Butler, Cambria, Cameron, Carbon, Centre, Clarion, Clearfield, Clinton, Columbia, Crawford, Elk, Erie, Fayette, Forest, Fulton, Greene, Huntingdon, Indiana, Jefferson, Juniata, Lackawanna, Lawrence, Luzerne, Lycoming, McKean, Mercer, Mifflin, Monroe, Montour, Northumberland, Perry, Pike, Potter, Schuylkill, Snyder, Somerset, Sullivan, Susquehanna, Tioga, Union, Venango, Warren, Washington, Wayne, Westmoreland, and Wyoming ;

In South Carolina, the counties of Anderson, Cherokee, Greenville, Oconee, Pickens, and Spartanburg ;

In Tennessee, the counties of Anderson, Bledsoe, Blount, Bradley, Campbell, Carter, Claiborne, Clay, Cocke, Coffee, Cumberland, De Kalb, Fentress, Franklin, Grainger, Greene, Grundy, Hablen, Hamilton, Hancock, Hawkins, Jackson, Jefferson, Johnson, Knox, Loudon, McMinn, Macon, Marion, Meigs, Monroe, Morgan, Overton, Pickett, Polk, Putnam, Rhea, Roane, Scott, Sequatchie, Sevier, Smith, Sullivan, Unicoi, Union, Van Buren, Warren, Washington, and White ;

In Virginia, the counties of Alleghany, Bath, Bland, Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd, Giles, Grayson, Highland, Lee, Pulaski, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe ;

All the counties of West Virginia :

*Provided*, That the Commission is hereby authorized and directed to study and consider, in consultation with the Governor of the State of New York or an appropriate official or officials designated by him, the inclusion of such counties of the State of New York as are contiguous to the Appalachian region as defined in this section and counties contiguous thereto in the Appalachian region for the purposes of this Act ; and if the Commission shall decide after such consultation, that these counties share the social and economic characteristics of the region, and that the inclusion of these counties would further the purposes of this Act as set forth in section 2, then the Commission is authorized and directed to invite the State of New York to participate in the Commission on an appropriate basis : *Provided further*, That the Commission may extend the invitation to the State of New York for inclusion of such of the described counties the inclusion of which would further the purposes of the Act : *And provided further*, That if such invitation is duly accepted by the State of New York, those counties shall be included in "the region" or "the Appalachian region" for the purposes of this Act.



## SEVERABILITY

SEC. 404. If any provision of this Act, or the applicability thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

## TERMINATION

SEC. 405. This Act shall cease to be in effect on July 1, 1971.

Passed the Senate February 1 (legislative day, January 29), 1965.

Attest:

FELTON M. JOHNSTON, *Secretary*.

Mr. JONES. I hope we can proceed in this fashion, that we will let the witness conclude his statement before we propound questions or interrogatories, so that we may have an orderly procedure.

Yesterday the subcommittee had a briefing, in which we heard Mr. Sweeney, Chairman of the Federal Development Planning Committee for Appalachia, in a review of the bill; and he has gone over its contents and made explanations of the various sections. We will begin by hearing Mr. John L. Sweeney who has worked with this bill for 18 months, now.

Mr. Sweeney, we will be most appreciative of your attention to all our questions and problems in relation to consideration of this bill.

It is with great pleasure that we have you here this morning. Mr. Stuart Feldman, who is the assistant to the Chairman, is in Mr. Sweeney's company and questions may be directed to either of them.

Mr. Sweeney.

**STATEMENT OF JOHN L. SWEENEY, CHAIRMAN, FEDERAL DEVELOPMENT PLANNING COMMITTEE FOR APPALACHIA; ACCOMPANIED BY STUART FELDMAN, ASSISTANT TO THE CHAIRMAN**

Mr. SWEENEY. Thank you, Mr. Chairman.

With your permission, Mr. Chairman, I did bring with me a prepared statement which I would like to insert at this point in the record. I will not read it in full.

Mr. JONES. Without objection, the statement will be received and placed in the record at this point.

(The document follows:)

**STATEMENT BY JOHN L. SWEENEY, CHAIRMAN, FEDERAL DEVELOPMENT PLANNING COMMITTEE FOR APPALACHIA**

Mr. Chairman, distinguished members of this special committee, it is a privilege for me to testify on the provisions of H.R. 4, the Appalachian Regional Development Act of 1965.

The action that we hope will be taken by the members of this committee, by the full Public Works Committee, and by the House of Representatives will represent the culmination of almost 2 years of careful study and preparation by 11 State governments, a dozen Federal agencies and the U.S. Congress. The economic development of the Appalachian region has received the close personal attention of both President Kennedy and President Johnson.

Within the past year President Johnson has paid several visits to Appalachia, has met with the Governors of the Appalachian States, and has submitted the legislation which we are considering today. As evidence of his acute concern about the present-day blight of Appalachia, he has given this bill the complete support of the administration and has assigned the highest priority to it.

All of the provisions in H.R. 4 focus upon one overriding objective which is the acceleration of economic development in the Appalachian region. Much of the poverty that afflicts Appalachia can be attributed directly to some very basic deficiencies of the region. These deficiencies include difficult access, uncontrolled water resources, poorly managed physical resources, and a general shortage of the type of public facilities which stimulate economic activity. In short, the problem of underdevelopment in Appalachia must be attacked in order to raise the standards of human existence in the region, and this is the very problem which the Appalachian Act identifies and attacks.

This committee has made substantial and worthwhile contributions to the Appalachian program. The House Public Works Committee report on H.R. 11946, the Appalachian Regional Development Act of 1964, and the accompanying volume of testimony contain much useful and valuable material about the Appalachian region. The bill which we are considering today closely resembles last year's bill; however, there are a few significant changes which will be dealt with in the course of this testimony.

This bill's greatest merit lies in the sound relationship which it establishes between the Federal Government and the governments of the 11 Appalachian States. In the final analysis, the Appalachian region presents a special problem because of its high proportion of poverty and unemployment. But it also presents a special answer because of the demonstrated willingness of 11 States to work together in solving those problems. Since 1960 the Appalachian Governors and their staffs have cooperated with one another in recognition of the needs and solutions which are common to the Appalachian States.

So strong has become the conviction among the Appalachian States that the region's economic deficiencies must be corrected that the original concepts of the Conference of Appalachian Governors have survived innumerable changes of State administrations during the past 5 years, and, in fact, have been strengthened through the accumulation of more and more experience. The concern and support of the Appalachian Governors for this legislation was clearly demonstrated before this committee last summer and will again be indicated in statements to be submitted to you this week.

Since the Appalachian Act emphasizes regional economic development, the full participation and cooperation of the State governments becomes especially essential to the success of the program. The Appalachian program is not intended, and was never intended, to provide independent assistance to 11 separate States, each going its own way and excluding the mutual interests of its neighboring States. The States themselves have recognized the necessity for interstate cooperation and have insisted upon the specific provisions for such cooperation as contained in title 1 of this act, creating the Appalachian Regional Commission.

The Appalachian Regional Commission is not designed as an operating agency. It will have no authority over any other agency of government at any level. Existing Federal programs will continue to be directed by the appropriate Federal agency. The Commission's job in this area will be to coordinate existing programs with new programs and with the needs of the region as a whole.

Some of the specific duties of the Commission include: making initial recommendations on each phase of the programs contained in the bill; operating as a clearinghouse for expert opinion which can be shared throughout the region; sponsoring research and demonstration projects upon which it will base its recommendations; recommending revisions of existing laws; and adapting project requests to the principles of overall regional development.

The Appalachian Regional Commission will be truly regional in its composition. It will include representatives of each of the 11 Appalachian States and a representative of the Federal Government, appointed by the President. The Federal member of the Commission shall serve as the Federal cochairman. His counterpart, the State cochairman, shall be selected by the States sitting on the Commission.

The Appalachian Regional Development Act of 1965 contains some new language which clarifies even further the responsibility of the States than did last year's legislation. These additions have been written into the statement of purpose and read as follows: "The public investments made in the region under this act shall be concentrated in areas where there is the greatest potential for future growth, and where the expected return on public dollars invested will be the greatest. The States will be responsible for recommending local and State projects, within their borders, which will receive assistance under this act."



The procedures that shall be used in the approval and implementation of programs are spelled out in fuller detail in sections 223 and 303 of the act. The essence of these procedures is simply this: that an application for assistance under the Appalachian Act may originate from any source in a State's eligible counties, but the application can reach the Commission through only one channel—the State representative sitting on the Commission.

This means two things: 1. The Commission, or the Federal cochairman cannot tell a State what projects it should recommend to the Commission, nor can the Commission bypass the State representative by approving projects and programs submitted to it by a local government. 2. The States will have greater control over the relationship of individual projects to overall economic development in their Appalachian portions.

The Appalachian program, if it is to be successful, must take full advantage of the considerable amount of knowledge and experience that exists at the State level of government. This bill properly establishes the procedures which will ensure the continuation of responsible State participation under the Appalachian Act. The Appalachian States have already demonstrated their capacity for responsibility during the studies and discussion which have contributed to this legislation.

Since the primary aim of the Appalachian Act is to stimulate economic growth in the Appalachian region, it is only proper for the Commission to be guided by the criterion in section 224, stressing the potential for future growth. Here again, the Commission will rely most heavily upon the advice of the Appalachian States who possess the greatest knowledge about the locations of potential growth and how the Appalachian program can best be used to stimulate economic development.

The remaining duties and responsibilities of the Commission are the same as those contained in the bill which this committee examined last year. The affirmative vote of the Federal cochairman is required before any project can be implemented, and a State, if it so desires, can refrain from accepting a project that it does not want.

Foremost among the responsibilities of the Appalachian Regional Commission will be the administration of the programs authorized by this legislation. These programs, covering a variety of activities, are all designed to promote economic development in as comprehensive a manner as possible. They include the development and improvement of access into the region, improvement of Appalachia's water and physical resources, and the upgrading of human resources—all necessary to stimulate economic growth and create more opportunities for the people of Appalachia.

The first of these developmental needs, better access for the region, is provided for by the Appalachian development highway system under section 201 of the bill. Lying between two great population centers of the Nation, the Midwest and the eastern seaboard, Appalachia represents a potential market and a source of raw materials, as well as a major recreational area for these enormous concentrations of population. Yet none of this potential will be realized until the isolation of the region has been overcome, and the Appalachian Mountain barrier can only be eliminated by a modern highway network.

Highway construction in most sections of Appalachia is expensive. For example, in West Virginia and Kentucky, the east-west roads which cut directly through the mountains will cost more than a million dollars per mile for a high type two-lane primary road. This can be contrasted to an average cost of between \$300,000 and \$500,000 for such a road on flat terrain. This bill recommends that the Appalachian highway program be constructed with moneys from the general fund, for to use the highway trust fund would discriminate against the other 39 States. The Appalachian States have put a disproportionate amount of their highway funds into the Appalachian portions of their States. This general fund investment will enable them to build the highway system which is the key to future economic growth.

The only change that has been made in this section of the bill since last year has been an increase in the mileage of local access roads, from 500 miles to a total of 1,000 miles. The development highway system remains the same, 2,350 miles, and the Federal share of the entire program remains at \$840 million. The additional access road mileage will link even more areas having development potential with the development system itself and with the interstate highways that cross the region.

The Appalachian Regional Commission will, as previously understood, recommend the basic corridors through which the development highways will pass. But before the Commission makes such a recommendation, it must have obtained the recommendations of each State highway department. Once the Commission's recommendations have been submitted, the present system of cooperation between the Secretary of Commerce and the State highway departments will take over, as in the case of every other federally supported road building program.

The proper management of Appalachia's water resources is the purpose of section 206 of this bill which authorizes the Army Corps of Engineers to conduct a comprehensive water resource survey for the region and prepare a comprehensive plan for water resource development. Appalachia's water resources, fed a steady and abundant annual rainfall, are one of the region's most precious assets. With sufficient control and management, this resource can provide the essential base for industrial, residential, commercial and recreational development. Without adequate control a combination of flooding, draught, and polluted water will further retard the Appalachian effort to achieve greater economic growth.

The water resource survey authorized by section 206 will be conducted by the Army Engineers in cooperation with the Appalachian Regional Commission, and all appropriate Federal and State agencies. The procedures for comprehensive water resource planning as set forth in H.R. 4 are similar to the procedures used for comprehensive river basin studies throughout the country, including some that have been completed or are now underway in the Appalachian region. Such work has already been done or is in process in several Appalachian river basins, including the Delaware, Upper Ohio, Susquehanna, and Potomac. The timely completion of studies now in progress and the initiation of studies in additional river basins will help insure the fullest use of the region's water resource potential.

Sections 203, 204, and 205 of this bill deal directly with the most valuable physical resources of Appalachia. The fuller utilization of these resources is necessary if they are to be tied in with the improvements in highways and water resources as a means to a more desirable rate of economic growth.

Land improvement and erosion control are made possible by section 203 which attempts to correct the neglect and misuse of much of Appalachia's land. The hilly topography of the Appalachian region has long been a deterrent to the successful farming of vegetables or grains in any large quantity. The Appalachian terrain has also discouraged mechanization on the region's farms necessary for profitable farming operations. Over the years the steeply sloped Appalachian farms have remained largely unproductive and have undergone severe erosion which has only helped to clog the region's streams.

The principal emphasis of this program is to prevent further erosion on as much land as possible out of a total of 8.6 million acres of land requiring erosion control. This can be done by establishing an adequate vegetative covering on some of the land or by turning it into pastureland capable of supporting economical livestock operations. Under H.R. 4, section 203 will provide to eligible farms, grants covering the cost of 80 percent of the improvement of up to 25 acres of land which either has no protective covering or which needs improvement in order to make it economically feasible for livestock production. This legislation authorizes \$8.5 million for each of the fiscal years 1966 and 1967 for this program, to be administered by the Agricultural Stabilization and Conservation Service which already operates similar grant programs for conservation practices. The program of grants would be carried out through the State and county committees in a manner similar to the existing programs. Specifically, the funds would be used for land preparation, seed and seeding costs, fertilizer and lime costs, and in some cases brush removal, pond construction, and fencing costs. This program at the same rate of investment could by 1971 improve 3.3 million acres.

Under the Senate version, as amended, of the Appalachian Act, section 203 has been changed to deal more directly with the problem of land stabilization and erosion and sediment control and to provide for a more closely coordinated program of related land and watershed development. The new section is patterned after the Great Plains program which has been carried out successfully in recent years in the Western States. It retains the provision of the original bill limiting the Federal assistance to 80 percent of the cost of the proposed treatment, but it raises the limitation on acreage which each farmer can propose for assistance from 25 acres to 50 acres. The Senate-passed bill also retains the 10-year contractual plan for cost-sharing development provided for in the original bill.



Section 204 provides for the establishment of timber development organizations in Appalachia in order to improve the potentially valuable timber resource of the region. Appalachian hardwoods are famous throughout the Nation and comprise 80 percent of both forest area and timber volume in the region. Timber growth in Appalachia has fallen far short of its potential, and much growth that has taken place has been low in quality. Because over 70 percent of the region's total forest acreage is in small private stands, sound timber management practices have not been applied to substantial portions of Appalachian timberland.

The primary responsibility for promoting the concept of timber improvement through timber development organizations will rest with the U.S. Forest Service, working with State foresters, although the implementation is designed to be carried out under private auspices.

A TDO, depending upon the circumstances, might take one of several forms. It might, on the one hand, be patterned after the New England Forestry Foundation—a purely service organization requiring no long-term commitment on the part of the landowner—which has been so successful in the northeastern section of the country. On the other hand it might have a nonprofit corporate structure with long-term commitments from each landowner and receipts from the sale of timber shared among the landowners pursuant to agreement. A detailed feasibility study of the area proposed for a TDO would be necessary to determine the structure and organization most appropriate to each organization. But in any case, the objective would be to develop forest management units that would protect and restore the timberland to full productivity and provide a return to the landowner either in the future or on an annual or periodic basis.

TDO's should concentrate on providing technical assistance on the lands within the organizations, such as the establishment of better tree cutting and timber practices. But in order to accomplish this goal, the TDO is permitted to seek the physical consolidation of landholdings important to the maximum management of the designated land. This may also include the purchase of tax-delinquent lands and property of nonresident owners wanting to dispose of their holdings. There is no intention, nor is there authority in the bill, for the acquisition of land under eminent domain.

Under an amendment adopted by the Senate, the authority to purchase lands would be restricted to those TDO's established as demonstration projects.

In the initial period, emphasis should be placed on demonstration TDO's and research assistance and on marketing assistance for research products.

The TDO, like the individual landowner, will be eligible for technical and management assistance under existing programs operated by State foresters and State extension forestry units in cooperation with the U.S. Forest Service.

However, it is anticipated that the major portion of assistance to a TDO for technical guidance, direct management and organization will come from private foresters. That is to say, the TDO once established, will hire the independent forester as a consultant, or on a part-time or full-time basis. It is intended that from the beginning, the Federal employee will have only a minimal role in the affairs of the TDO.

The principal role of the Federal Government in establishment of TDO's will be in providing a loan (not a grant) for one-half the initial capital requirements of the organization. The Appalachian Regional Development Act will authorize \$5 million for fiscal 1966 and fiscal 1967 for these loans, which will be administered by the Farmers Home Administration.

However, it is intended that the loans be granted by FHA only after plans have been submitted to the Appalachian Regional Commission showing a management and program outline for the proposed TDO which has been prepared by State and private foresters and individuals, as opposed to Federal personnel.

It is further intended, as specifically stated in the bill, that no Federal funds, that is, the FHA loan, shall be used to set up manufacturing for forest products. Federal funds can be used for construction of facilities necessary for improving the timber stand within the TDO, such as construction of access roads and installation of boundary markers.

The remaining 50 percent capital requirements of the TDO would be achieved through donations, loans, purchases of stock or pledges of land by private sources or State or local governments.

Section 205 provides for several programs of restoration in the mining areas of Appalachia. Much of the Appalachian landscape has been damaged by the mining of coal. Both strip mining and deep mining operations have eroded the

hillsides, polluted the streams, and threatened the well-being of thousands of people. Today, the mistakes of past coal mining practices serve as a major deterrent to industrial and recreational development in Appalachia. While we would expect that the States will take steps to prevent future damage from mining activities, local and State governments have not had the necessary resources to repair the widespread damages caused by past coal mining. Strip mining in the region causes substantial erosion and stream pollution both locally and many miles downstream. Many Appalachian communities are constantly threatened by subsidence of lands into the coal mines that lie beneath. Unsealed underground mines have leaked enormous quantities of acid into Appalachian streams and rivers, creating serious water pollution problems. The reclamation of lands damaged by past mining operations is crucial to stimulating economic development in the region.

Under this section, the Secretary of the Interior is authorized to repair damage caused by mine subsidence throughout Appalachia on a scope greater than provided under existing legislation.

The existing mine fire control program has had its appropriations limitation increased and the Fish and Wildlife Service has been authorized additional funds to restore areas damaged by mining practices.

The Federal contributions to all programs referred to in section 205(a) are established at not to exceed 75 percent by this bill. Furthermore, these new appropriations will not be counted in any computation of apportionments to the States under the existing national programs.

Because of complicated problems involving private versus public interests, benefits versus costs, etc., the Secretary of the Interior will undertake a strip mine study in full cooperation with appropriate Federal, State, and local departments and agencies and the Commission. The Secretary is to submit to the President, and the President to Congress, by July 1, 1967, detailed recommendations for a long-range comprehensive program for reclamation and rehabilitation of strip and surface mined areas in the United States and for the policies under which the program should be conducted.

The study will consider the nature and extent of strip mining and its results; the effectiveness of State and local control over strip mining activity including the enforcement of State legislation; the public interest and public benefits resulting from reclamation activities; and the appropriate cost sharing roles of Federal and State Governments and private interests and other relevant topics.

The Senate version of this act has been amended to provide an additional \$15 million for the programs under this section and for an expanded strip mine program.

Sections 202, 211, and 212 of this bill bear directly upon the human resource needs and community development requirements of the Appalachian region. There is a direct relationship between the services that a community can offer its residents and the likelihood of economic growth occurring in that community. The construction of health centers, vocational education schools, and sewage treatment facilities all influence a community's ability to hold and attract the industries and the jobs that make for economic stability and growth.

Under section 202, the Federal Government is authorized to make contributions to the costs of constructing and operating multicounty regional health centers. The bill authorizes Federal grants in the first 2 years of a hospital's operation to cover costs in excess of those provided from patients and other revenue sources. Even communities which can raise their share of the construction costs under the Hill-Burton program have difficulties obtaining operating funds in their initial years of operation. Hospitals require working capital in the same manner that businesses do; initial funds must be on hand to provide for supplies and salaries.

Federal investments in vocational education facilities provided by section 211 of the Appalachian Regional Development Act are necessary if the people of Appalachia are to participate in the national economic growth. The communities of Appalachia are now making a great effort to help themselves; the State governments of the region have made and are now making additional extensive investments in vocational training facilities. Even these efforts have been and will be inadequate to provide the facilities needed in face of present shortages.

Constructive legislation passed by the 88th Congress, the Vocational Education Act of 1963, would provide some additional money to Appalachia. As much as \$13.6 million may be available in the Appalachian portion of the 11 States



comprising the region from that act. Five million of these dollars, however, will go to Pennsylvania, leaving an average of \$800,000 for each of the remaining 10 States. These funds will have to be used for operations and teacher training as well as construction.

Heavy costs are involved in providing vocational instruction. The construction and equipping of vocational schools can cost up to \$1 million per school depending on the mix of shop facilities included. The \$16 million authorized by this bill to supplement the Vocational Education Act of 1963 could, when combined with State matching money, provide between 30 and 50 area vocational schools in Appalachia. These facilities will serve not only high school students but also adult trainees in manpower training and other vocational programs. The investment in vocational facilities should be repaid from the increased taxes that will be paid by the skilled persons who will graduate from these facilities.

Inadequate waste treatment through the lack of sewage treatment facilities is a serious Appalachian problem which threatens the health of its people and thwarts economic development.

In order to met the sewage treatment need, section 212 of this bill authorizes \$6 million for fiscal years 1966 and 1967 for construction of sewage treatment control facilities. This program is to be carried out under the terms of the Water Pollution Control Act, administered by the Department of Health, Education, and Welfare. The special Appalachian authorizations will not be affected by the authorization ceilings or allotments among the several States which are provided in the Water Pollution Control Act.

The economic difficulties that beset large portions of Appalachia have prevented many of its communities from utilizing fully the wide variety of Federal grant-in-aid programs that are available to communities across the country. Consequently, these communities most in need of grant-in-aid funds have been unable to produce the matching funds required to take advantage of the Hill-Burton Act, the Department of Agriculture's small watershed conservation and development programs, the Federal Airport Act's airport development assistance, to mention a few.

The Appalachian Act authorizes supplementary funds to be used for the construction of hospitals, vocational education schools, and sewage treatment plants in the belief that such facilities provide communities with an essential base from which they can launch plans for economic development. Similarly, it has been felt that the communities of Appalachia should be assisted in obtaining additional facilities, available under existing programs, that can also stimulate development and growth.

Therefore, section 214 of the bill authorizes the provision of a special fund to help Appalachian communities meet part of the local share of existing grant-in-aid programs. Under this authority the Secretary of Commerce, following appropriate consultation with the Appalachian Commission, is empowered to allocate funds for eligible localities for the sole purpose of increasing the Federal contribution above the fixed maximum portion of the cost as authorized by applicable law. Such funds cannot be used to increase the Federal share of any program to more than 80 percent of the cost; they can be used only for grant programs, not for any loan or other federally financially assisted program; and only for the construction and equipment of facilities.

The Appalachian Regional Development Act does not contain all of the programs for which funds will be made available during fiscal years 1965 and 1966. It contains only those programs requiring new legislative authorizations or modification of existing legislative authorizations.

The funds to carry out the entire Appalachian program, including the provisions of the Appalachian Regional Development Act and programs already authorized but requiring additional funds, will be provided for in a supplemental appropriations bill to be presented to Congress once the Appalachian Regional Development Act is passed.

The Appalachian programs, not included in this act but which will be funded by the supplemental appropriations bill, are as follows by program area:

1. Water resources: Acceleration of construction projects under the U.S. Army Corps of Engineers and the Department of Agriculture Soil Conservation Service.
2. Timber development and land stabilization: Supplementation of such programs as timber marketing research, the acquisition of lands within national forests, construction of additional roads in national forests, technical assistance for wood marketers, an increase in the Farmers Home Administration loan program, and construction of a plant materials center.

3. Mining area restoration: Supplementations to strip mine reclamation programs and programs for extinguishing burning culm piles and controlling acid mine drainage as well as additional research into the geological resources of the Appalachian region.

Altogether, the amount of additional money contained in the supplemental appropriations bill and not reflected in the Appalachian Regional Development Act would come to approximately \$50 million for fiscal year 1966. The supplemental appropriation for Appalachia will apply only to fiscal year 1966; in successive years the Appalachian programs will be treated as one budget item.

The Appalachian Regional Commission will work closely with other Federal agencies, the Appalachian States, and the private and public institutions of the region in coordinating all programs which are especially applicable in the region. The Commission, when it officially comes into existence will, for instance, want to establish close coordination with the Office of Economic Opportunity. To that end, the staff of the Federal Development Planning Committee for Appalachia has been meeting with OEO staff members to discuss the best methods for the interchange of information about standards, procedures, and program developments so that the two agencies can complement each other to the fullest degree possible.

There can be no doubt that the Appalachian Commission, working in cooperation with OEO, can make an even greater contribution to Appalachia. Some specific illustrations of the benefits to be gained from this cooperation are as follows:

1. As the Appalachian Commission develops judgments about the economic potential of parts of Appalachia, these can be highly useful to OEO in planning the types of vocational training to be offered in its Job Corps, work training, and other similar operations.

2. These same ARC judgments can be helpful to OEO in administering the small business loan and rural area grants and loans sections of the Economic Opportunity Act.

3. As vocational education facilities are created, they could be used in connection with the various training programs of OEO.

4. Both the vocational education facilities and the demonstration health centers could provide sites for the profitable use of VISTA volunteers.

5. The community planning grants made under the Economic Opportunity Act could be coordinated with the technical assistance grants to local development districts under the Appalachian program to aid local leaders in attacking the widest possible range of local problems.

6. Job Corps programs in natural resource development can be coordinated with the various aspects of resources development under the Appalachian program.

These are just a few examples of how the Appalachian Commission, under the responsibilities assigned to it, can and must work with other agencies toward the comprehensive development of the resources of the Appalachian region.

The Appalachian Regional Development Act contains within its various provisions the tools for the economic development of the Nation's largest region of decline and deprivation. Adequate transportation facilities, the upgrading of natural resources, and the improvement of community facilities are all necessary ingredients for a stronger Appalachian economy. The mountain isolation and the neglect of physical resources have determined, in large measure, the present condition of the Appalachian region. Once these disadvantages are overcome, Appalachia can offer its people the types of opportunities that are abundant elsewhere in the United States.

The Appalachian program, as it is spelled out in this act, offers the Appalachian States and the Federal Government an excellent opportunity to work together in the vital area of regional economic development. Given the impressive support from the States, the local governments, communities, and private industry for the rejuvenation of Appalachia, the Appalachian region will certainly benefit from the assistance under H.R. 4. In the final analysis, while the Appalachian region stands to gain directly from this program, so will the entire Nation gain from the additional economic strength of this important 11-State region.

Mr. SWEENEY. Mr. Chairman, distinguished members of this special committee, it is a privilege for me to testify on the provisions of H.R. 4, the Appalachian Regional Development Act of 1965.



The action that we hope will be taken by the members of this committee, the full Public Works Committee, and by the House of Representatives will represent the culmination of almost 2 years of careful study and preparation by 11 State governments, a dozen Federal agencies, and the U.S. Congress. The economic development of the Appalachian region has received the close personal attention of both President Kennedy and President Johnson.

Within the past year, President Johnson has paid several visits to Appalachia, has met with the Governors of the Appalachian States, and has submitted the legislation which we consider today. As evidence of his acute concern about the present-day blight of Appalachia, he has given this bill the complete support of the administration and has assigned the highest priority to it.

All of the provisions in H.R. 4 focus upon one overriding objective which is the acceleration of economic development in the Appalachian region. Much of the poverty that afflicts Appalachia can be attributed directly to some very basic deficiencies of the region. These deficiencies include difficult access, uncontrolled water resources, poorly managed physical resources, and a general shortage of the type of public facilities which stimulate economic activity. In short, the problem of underdevelopment in Appalachia must be attacked in order to raise the standards of human existence in the region, and this is the very problem which the Appalachian Act identifies and attacks.

This committee has made substantial and worthwhile contributions to the Appalachian program. The House Public Works Committee Report on H.R. 11946, the Appalachian Regional Development Act of 1964, and the accompanying volume of testimony contain much useful and valuable material about the Appalachian region. The bill which we are considering today closely resembles last year's bill; however, there are a few significant changes which will be dealt with in the course of our discussion today.

It is our belief that the bill's greatest merit lies in the sound relationship which is established between the Federal Government and the governments of the 11 States. In the final analysis, the region presents a special problem because of its high proportion of poverty and unemployment, but more important, it presents a special answer because of the demonstrated willingness of 11 States to work together in solving problems.

Since 1960, the Appalachian Governors and their staffs have cooperated with one another and with the Federal Government in recognition of the needs and solutions which are common to the Appalachian States. So strong has become the conviction among the Appalachian States that the region's deficiencies must be corrected that the original concepts of the conference of governors has survived innumerable changes of State administration during the past 5 years; and, in fact, these original concepts have been strengthened through the accumulation of more and more experience. Concern and support of the Appalachian Governors for this legislation was clearly demonstrated before this committee last summer and will again be indicated in statements and testimony which will be given to you this week.

Since the Appalachian Act emphasizes regional economic development, the full participation and cooperation of the State governments becomes especially essential to the success of the program. The Ap-

palachian program is not intended and was never intended to provide independent assistance to 11 separate States, each going its own way and excluding the mutual interests of its neighboring States. The States themselves recognize the necessity of interstate cooperation and have insisted on specific provisions for such cooperation as contained in title 1 of this act, the establishment of the Appalachian Regional Commission.

This Commission is not designed as an operating agency. It will have no authority over any other agency of government at any level, and existing Federal programs will continue to be directed by the appropriate Federal agency. The Commission's job in this area will be to coordinate existing programs with new programs and with the needs of the region as a whole.

The Commission will be truly regional in its composition. It will include representatives of each of 11 Appalachian States and a representative of the Federal Government appointed by the President. The Federal member of the Commission shall serve as the Federal Co-chairman. His counterpart, the State Cochairman, shall be selected by the States.

This act before you contains some new language which clarifies even further the responsibilities of the States than did last year's legislation. These additions have been written into the statement of purpose and read as follows:

The public investments made in the region under this act shall be concentrated in the areas where there is the greatest potential for future growth and where the expected return on dollars invested will be the greatest—

I might break away for a moment to state that the Senate amended that language to provide that these funds should be concentrated in areas where there is—I quote:

a significant potential for future growth.

That is a change which we thought was important. We thought that the use of the word "greatest" might unduly restrict the investment of funds to far fewer areas than would reasonably be possible.

The States will—

I quote further from the statement of purpose of the bill—

the States will be responsible for recommending local and State projects within their borders which will receive assistance under this act.

The procedures that shall be used in the approval and implementation of programs are spelled out in fuller detail in sections 223 and 303 of the act. The essence of these procedures is simply this: That an application for assistance under the Appalachian Act may originate from any source in a State's eligible counties or communities but the application can reach the Commission through only one channel: The State representative sitting on the Commission. This means two things: First, the Commission or the Federal Cochairman cannot tell a State what projects it should recommend to the Commission, nor can the Commission bypass the State representative by approving projects and programs submitted to it from other sources. Two, the States will have greater control over the relationship of individual projects to offer all economic development in their Appalachian sections.



The Appalachian program, if it is to be successful, must take full advantage of the considerable amount of knowledge and experience that exist at the State level of government. This bill properly establishes the procedures which will insure continuation of responsible State participation in the Appalachian efforts. The Appalachian States have already demonstrated their capacity for responsibility during the studies and discussions which have contributed to this legislation. Since the primary aim of the act is to stimulate economic growth in the Appalachian region, it is only proper for the Commission to be guided by the criterion in section 224, stressing the potential for future growth and here, again, the Commission will rely most heavily upon the advice of the Appalachian States who possess the greatest knowledge about the locations of potential growth and how the Appalachian program can best be used to stimulate economic development.

I think it is appropriate to just spend a few minutes, Mr. Chairman, in a summarization of the major contents of the bill as it relates to public investment. The first major program in the bill is the construction of a development highway system to provide more adequate access to the region. The bill calls for a system of 3,350 miles of highways of which 1,000 miles are to be local access roads and 2,350 miles are to be high-type primary roads designed to open up major sections of the region.

Last year the bill called for 500 miles of access roads. We have asked that that total be increased this year to 1,000. We have also asked that the dollar total not be increased. The primary purpose of this request is a more refined statement of what these access roads will cost, and we have requested this increase in mileage allotment so that we will not be hamstrung in the event that the roads can be built for \$50,000 a mile, as against the \$100,000 a mile which went into last year's estimate.

The second major program is a new investment in both the construction and operation of regional health facilities. We think one of the major needs in the region for economic development purposes is provision of adequate medical facilities in large sections of Appalachia, which presently have either inadequate facilities or none at all.

This program will provide a series of grants which would provide 80 percent of the construction cost of such facilities. The second portion of the section would provide operating funds up to 100 percent in the first 2 years and 50 percent for the remaining 3 years.

The third major program is a system of land improvement and erosion control which would be carried out under a program similar to that which has been in effect for 8 years, now, in the Great Plains States. Under this program, an individual landowner or occupier would enter into an agreement with the Secretary of Agriculture, in which the Secretary would provide grants of up to 80 percent of the cost of improving the land on any given farm, up to a maximum of 50 acres.

The fourth major program of the bill calls for a series of timber development organization created by local landowners who will receive loans and technical assistance in order that better use may be made of the hardwood and other timber which grows over great parts of Appalachia. These organizations would be nonprofit corporations, and they would be designed to provide more effective management for

the small landowners of Appalachia since, as I have said to this committee on several occasions in the past, it is our estimate that better than 70 percent of the forest land in Appalachia is held in holdings of 50 acres or less.

The fifth major program calls for restoration of land which has been damaged by past mining operations. In bill H.R. 4, which is before you, is a substantial program of filling in underground voids and sealing them to prevent acid mine drainage, and a substantial program for elimination of underground and outcrop mine fires represents the major content of your bill.

The Senate has since amended the bill to provide for an additional program of strip-mine restoration.

In addition to those three major action programs, there is provided in the bill, a comprehensive study of strip mining throughout the United States, a study which we hope will yield far better information as to how strip-mine reclamation on private land can be undertaken. I might add that the Senate amendment provides that strip-mine reclamation may only be undertaken on publicly owned lands—Federal, State, or local.

The sixth major program calls for a comprehensive water resource survey in Appalachia. We believe that with the abundant rainfall of this area and the great potential it offers, that water resource construction must be accelerated. This section of the bill directs the Secretary of the Army to undertake a comprehensive study of all the river basins in Appalachia, utilizing studies that have been done in the past and those that are presently underway.

Two other major programs are included within the scope of the bill: an increase in vocational educational facilities for Appalachia and an increase in sewage treatment facilities.

Finally, and most important, next to the highway program, is section 214 of the bill provides a supplemental fund of \$90 million to be administered by the Secretary of Commerce, that enables the Federal Government to supply up to 80 percent of the cost of any Federal grant-in-aid program for construction. As I have previously stated, to coordinate the plan for the execution of this program, the bill creates an Appalachian Regional Commission.

I would like to emphasize that the Appalachian Development Act does not contain all of the programs which President Johnson will recommend to the Congress during this year. An additional series of programs will be contained in the supplemental appropriation bill which will be submitted to the Congress following the passage of this act.

Some of the programs which are included in that appropriation bill which do not appear here because they do not need new authorization or a modification of existing authorization. The Corps of Engineers and Soil Conservation Service watershed programs are examples. Within the Department of Agriculture, there will be funds provided to supplement timber marketing research, acquisition of lands within the national forest, construction of additional roads in the national forest, technical assistance for wood markets, increase in the Farmers Home Administration loan program, and construction of a plant materials center somewhere in the region.



The third category would be the supplementation of those programs which permit the extinguishment of culm piles and control of acid mine drainage as well as additional research in the geological resources of the Appalachian region.

Altogether, the amount of additional money contained in the supplemental appropriations bill and not reflected in this act would come to approximately \$50 million for the fiscal year 1966.

In conclusion, Mr. Chairman, I would like to say that this program, as it is spelled out in this act, offers the States and the Federal Government an unprecedented opportunity to work together in the vital area of regional economic development. Given the impressive support from the States, local communities, and private industry for the rejuvenation of Appalachia, this region will certainly benefit from the assistance under H.R. 4. In the final analysis, while the region stands to gain directly from this program, so will the entire Nation gain from the additional economic strength that can be brought to this 11-State area.

Mr. JONES. Thank you, Mr. Sweeney.

Mr. Kunkel has an appointment and is going to have to leave immediately, so I will recognize Mr. Kunkel for the purpose of asking you questions.

Mr. KUNKEL. Mr. Sweeney, I would like you to explain to me and to the committee exactly what effect the Lausche amendment will have on Pennsylvania and other States with respect to privately owned lands. I don't know whether you have had time to brush up on that, because I know there were proceedings in the Senate day before yesterday, so maybe you have not had a chance to brush up on it. I wish you would tell me all that you can about it.

Mr. SWEENEY. Mr. Kunkel, because a sizable program of strip mining was not included in the original administration bill, we do not have the regionwide inventory of what lands might have been reclaimed under the original Clark-Scott amendment which allowed reclamation of private lands. However, we do have some rather thorough information submitted by Governor Scranton and his people.

It is my own personal judgment, having reviewed the list of projects that Pennsylvania has submitted that they will not be adversely affected by this program. That is for two reasons. The first is that Pennsylvania has a substantial body of public lands, 420 acres in various sections of Pennsylvania, primarily in the bituminous coal region—for example, 50 acres at the Alleghany Airport, 50 acres in Clearfield County held by the department of forestry and water—and a much larger list on which they can begin work on immediately.

Secondly, I don't think Pennsylvania will be adversely affected because they are contemplating and, as I understand it, have taken substantial steps to institute a program under which the State would establish a revolving fund to acquire private strip mine lands, reclaim them as public lands; and then dispose of them. Whatever profit might be involved in the disposal will be returned to the revolving fund to reclaim even more land, so that it is my judgment that Pennsylvania will not be effected.

Now, how this will exactly work in the rest of the States, we do not know. But I do believe that the sentiment was so strong that since we have not yet worked out the means whereby private windfalls

could be avoided, and whereby controls would be exerted over present strip mining activity to insure we were not putting money in one place to reclaim land, while it was being stripped away in another, that I think the Senate felt very strongly about this amendment. It is my own judgment that in those States which are prepared to go, it will not constitute a serious threat.

Now, that is not as true in the area of conservation and hunting and fishing. I do know that the Department of the Interior did have plans to reclaim some private lands to which the public would be given access for hunting and fishing. That is now barred under the Lausche amendment and to that extent, this will affect some of the plans that will be under way.

Mr. KUNKEL. Well if a State passes State legislation to prevent it, which is the point that Senator Lausche is aiming at, and which is something I think we would all like to see done, at that time the Appalachian Commission can go in and do this work on private lands? Am I correct?

Mr. SWEENEY. No, sir, I do not think that is correct, Mr. Kunkel. I think two things have to happen under the Lausche amendment before reclamation of private strip mining can take place. First, the Secretary of Interior's study must be submitted which will recommend what the Congress should do. The Congress in turn would act on those recommendations or modify them, and then you might begin to reclaim private strip mining land, but there is a requirement of future congressional action before any money could be spent to reclaim private lands.

Mr. KUNKEL. But there would not be any future State legislation? It would have to be done by Federal legislation?

Mr. SWEENEY. My own guess, Mr. Kunkel, is that what the Secretary will probably recommend are minimum standards to be enacted by the States before they would be eligible to participate in any reclamation of private lands.

Mr. KUNKEL. Now, does this amendment bar all the lands except those owned by the State of Pennsylvania? In other words, how about land that is owned by a municipality or county or some governmental subdivision?

Mr. SWEENEY. Those are all eligible under the program.

Mr. KUNKEL. They are all eligible?

Mr. SWEENEY. Yes, sir.

Mr. KUNKEL. It is not confined just to State land?

Mr. SWEENEY. Federal, State, and local, county and municipal.

Mr. KUNKEL. Thank you very much. I want to compliment you on having gone into this thoroughly, in view of the short time you have had since the amendment was developed.

Thank you, Mr. Chairman.

Mr. JONES. Mr. Wright.

Mr. WRIGHT. Mr. Chairman, I should like to congratulate Mr. Sweeney upon his thorough and comprehensive grasp of this subject and to thank him for the many, many hours he has devoted to understanding of and preparation of these reports to this committee.

Fundamentally restated, the purpose of this legislation, if I am correct in my understanding, is to provide a hand, rather than a hand-out. The projects we set in motion are not "make work" or leaf raking



projects, but are designed to provide the minimum necessary public facilities.

Mr. SWEENEY. Yes, sir.

Mr. WRIGHT. To permit the people in this region, which heretofore has not caught up with the onward march of the progress of the 20th century, to get into the mainstream of American life, hopefully attracting new industrial development, new commerce and housing, recreational, and other types of development. I think it is a good bill. I think that fundamentally a lot of improvement has been made in the bill since last year. I want to congratulate Mr. Sweeney on his statement.

Mr. SWEENEY. Thank you, Congressman. As always, Texas speaks better than anybody else.

Mr. JONES. I am quite sure Mr. Sweeney approves everything you have said.

Mr. CRAMER. I hope he approves everything I have to say.

Mr. JONES. That would be the most unusual thing that has ever taken place.

Mr. CRAMER. May I say at the outset on behalf of myself, and I think the majority of my side, we are equally interested in trying to do something about poverty-stricken areas. We do want a sound program. We do want programs that are within reasonable means, meaning not inducing too great a deficit and we further have grave reservations; that is, some of us do, with regard to the approach of setting up these supergovernment regional commissions with the Federal Government having an absolute veto power, regardless of what the wishes of the States might be, and we have so expressed ourselves in the minority views relating to the previous bill before the Congress last session. And as a matter of fact, no significant amendments have been made, taking into cognizance the questions raised by the minority at the last session.

As I say, we are equally interested in doing something about poverty-stricken areas. I personally seriously question the concept of doing it on a regional basis and particularly as it relates to highways, and I am sure that Mr. Sweeney knows, never have highways in the past, major systems been handled on a regional basis discriminating against the rest of the United States, all of the people of the country paying into the fund. In all other instances, States have been allocated mileage based upon certain formulas and all can participate.

Now, what do you have to say about that discriminatory aspect of the regional approach to these problems?

Mr. SWEENEY. Congressman, I would like to say something first, that we were a little bit embarrassed when we came up with this bill, because it did not really, we think, come close to meeting all the needs in the region. I think if I could divert myself for a moment, during the course of study, lots of people come to you with lots of things, and one of the things we found out was that perhaps we ought to have followed the admonition of Isaiah when he said that "every valley shall be exalted and every mountain and hill shall be made low, and the crooked shall be made straight and the rough places made smooth." The only problem that we have had in following Isaiah's admonition as a major prophet is that we did not think we could get the Bureau of the Budget to follow them.

Mr. CRAMER. May I interject this and say I do not think Isaiah was talking only about Appalachia.

Mr. SWEENEY. I do not, either. I thought it was appropriate.

Mr. JONES. Speaking in a universal ambit?

Mr. SWEENEY. Yes, sir. I think we ought to speak frankly. The name of the Appalachian game is preferential treatment. It is perfectly apparent that when dollars are going to go to 359 counties and 11 States, that means the dollars are not going to the rest of the 3,000 counties of the United States. But the real fact is we believe the ultimate return to the Federal Government, to all the States will be far greater than what it expends in Appalachia through these programs. I think we have pointed out in the past, we are spending almost \$500 million a year today in public welfare money. We do not see anyway in which this can be reversed, and the total will continue to grow, unless some of the means by which these people can develop jobs for themselves are provided. This region is one that can be properly described, in many cases, as one that is on the dole, and we are trying to make sure, as President Johnson has said, that these people become taxpayers instead of taxeaters.

In order to provide that, we have just been so overwhelmingly convinced that highways are the key way to do it, it was impossible for us not to recommend that.

In order to avoid great discrimination, we did not want to go into the trust funds and ask to take money that has already been allocated to the several States. The general fund of the Treasury constitutes the Government's large bulk of uncommitted resources and is a proper place to finance these development highways. Without highways in this area, Mr. Cramer, it will continue to decline. I think that is recognized by the people of the area, and I think by everybody who has looked at it objectively here. That is the reason we have come in with this type of recommendation.

Mr. CRAMER. Will the development highways—and I cannot quite comprehend from the definitions contained in the bill what development highways are as compared to access highways—but I will direct those questions to the Bureau of Public Roads, when it comes before us. But if development highways is the concept that is supposed to open up areas with development potential, on page 14 “where commerce and communication have been inhibited by lack of adequate access” is good for Appalachia, why are they not good for all America? Why is it not good for Florida? California? New Hampshire? Is it not good for Texas? Where there is a need—an area where there is economic need?

Mr. SWEENEY. I do not think there is any question it is needed in every part of the United States. Our feeling is that it has been better provided in other parts of the United States, primarily because the present highway formulas discriminate against Appalachia.

As I have said several times, Mr. Cramer, a million dollars of highway construction money in Appalachia will buy about a third of what it will bring generally in the rest of the country. This mountainous terrain makes the construction virtually impossible. These are narrow valleys which have high ridges, and to cut through them takes an enormous amount of dollars.



Secondly, the traffic that is presently in Appalachia which becomes one of the major ingredients of the present allocation formulas just is not there, so they have a double penalty. Because they do not have traffic, they do not receive a major share of the highway apportionment; and because the construction is so expensive, what they do receive goes a very small distance.

Mr. CRAMER. Well, the area involved in Appalachia received for the fiscal year, Federal aid, for the primary, secondary, and urban systems, which does not include the Interstate System, 24 percent of the total money throughout the country, or \$237 million.

Mr. SWEENEY. That is the total for all parts of the 11 States.

Mr. CRAMER. That is the 11 States having areas in Appalachia.

Mr. SWEENEY. Well, that seems fair for that represents the population of those 11 States, about 24 percent of the United States.

Mr. CRAMER. That is right.

Mr. SWEENEY. And Appalachia represents 8.5 percent. In other words, a third of that population lives in Appalachia.

Mr. CRAMER. Now I understand that there were some assurances made in the other body to the effect that some people who may have been considering amendments to include other regions which might be of interest to them, representing portions of them, that there were some assurances made that immediate consideration will be given to legislation relating to other regions and such regions as the upper Great Lakes, some 70 counties; upper Ozarks, the Northeast, south Arizona, and south New Mexico, and so forth. Now, I would like to know what we are getting into when it comes to future legislation of this nature, and if we are going to end up with what appears to be, as I understand it—there is no way to estimate the cost of this bill, is there, other than for the first 2 years?

Mr. SWEENEY. That is right, sir. Yes, sir.

Mr. CRAMER. And the cost of the first 2 years is how much—a billion what?

Mr. SWEENEY. Well, it gets complicated; obviously \$840 million is for the whole highway program. That is for 6 years.

Mr. CRAMER. That is right.

Mr. SWEENEY. The rest of the program is approximately \$252 million for 2 years.

Mr. CRAMER. That is nearly \$1,100 million; right?

Mr. SWEENEY. That is right, sir.

Mr. CRAMER. And that is for a 2-year period and of course the highway money which it has been stated verbally is to be a 5-year program, there is nothing in the bill that says 5 years and the money can be expended any time that the projects can be toolled up; right?

Mr. SWEENEY. And as the Congress appropriates.

Mr. CRAMER. And as Congress sees fit to appropriate the money. So the Commission has 6 years; right? The life of the Commission is 6 years.

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. Now what estimates are available as to the cost of this program on the 6-year life of the Commission?

Mr. SWEENEY. I realize every time this question is asked, it sounds like the administration is ducking the question. We just cannot estimate for one major reason. We do not know what the Congress will

do in the existing programs that it appropriates for nationally. It is perfectly apparent that if they have increased appropriation for vocational education, it will reduce the need for special appropriations for Appalachia. The same thing is true for the passage of an increased Hill-Burton Act. The same thing is true for the water pollution bill, if that receives higher appropriation. We just do not know what will be available to Appalachia in the future, and therefore cannot estimate what special supplements will be needed in that bill.

Mr. CRAMER. I have heard the figure suggested \$4 billion.

Mr. SWEENEY. It never stemmed from us.

Mr. CRAMER. You could not say it would not be possible? It is possible it would reach \$4 billion?

Mr. SWEENEY. I think if you took every dollar expended by State and local government and what private money would be invested, this plus the Federal money, then you might get up to that figure; but it is certainly not an accurate estimate of Federal investment.

Mr. CRAMER. Now, if that is the case, we know what it is in the bill, \$100 million over approximately 2 years in this program—what kind of cost are we talking about including all of these other regions?

Mr. SWEENEY. I cannot answer that, sir.

Mr. CRAMER. You cannot estimate. Neither can anyone else. But if this is passed, it is quite obvious we are setting the stage, are we not, for these other regions and for various substantial Federal expenditures?

Mr. SWEENEY. Mr. Cramer, I would say certainly the Senate debates indicated there is a great deal of interest in this kind of approach. I do not believe, however, it necessarily means a massive increase in Federal expenditure. I think that the States represented in the Senate debate are after a revision of present investment programs, going to the concept of regional development as against the present concept we have of accelerated public works, area redevelopment, and so forth.

So I cannot say that it necessarily involves a massive increase in Federal expenditure.

Mr. CRAMER. So what is being considered, then, is regional accelerated public works approach on a regional basis, rather than making it nationwide, as it was done previously?

Mr. SWEENEY. My own guess, Mr. Congressman, is that in some areas that you have described, there will not necessarily be the heavy concentration on public works contained in the Appalachia bill. Some of these regions do not need as much public facility investment as they need better tools to upgrade their human resources.

Mr. CRAMER. Well, let us take Appalachia as an example of that comment. In the Appalachia bill is a little APW provision providing for up to 80 percent. That is on page 32, section 214.

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. "Supplements to Federal Grant-in-Aid Programs."

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. Now that could fairly be described as a regional APW section, could it not? It permits up to 80 percent Federal contribution to any and all types of public works, whether they have a relationship to the rest of this bill or not?

Mr. SWEENEY. Well, no, I think they have a relationship to the bill in that the bill's primary purpose is to stimulate economic develop-



ment in Appalachia and if that requires the construction of an airport, that is why section 214 is provided; that you can provide for the construction of an airport where it has previously been barred because of local inability to come up with matching funds. I do not regard any of the sections of the bill as not being related to each other. They are all related.

Mr. CRAMER. That is the point I am making; I do not think this section is adequately related in order to provide, as I understand the bill is intended—to provide long-range upgrading of the community from the standpoint of increased employment.

Mr. SWEENEY. We believe that this is the key section of the bill in that regard, sir.

Mr. CRAMER. Now, in this particular section, the wording is:

In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs.

All grant-in-aid programs.

Mr. SWEENEY. For construction.

Mr. CRAMER. All grant-in-aid programs.

Mr. SWEENEY. Not operating programs, sir.

Mr. CRAMER. That is correct. All grant-in-aid programs relating to construction for which they are eligible, but because of their "economic situation," you cannot supply the required matching funds.

Now, suppose the community goes ahead and spends its money on other projects, then comes to you and asks for money because they have run out. There is no test, is there, as to "when their economic situation cannot supply the required matching share"?

Mr. SWEENEY. Mr. Cramer, there is no objective test in that section any more than there is in the rest of the bill—

Mr. CRAMER. In other words, a community—and it can be a prosperous community—there are some 67 counties in Appalachia not included in the APW depressed area's description; right?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. So I think it is agreed that there are numerous prosperous communities included in the Appalachia area?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. Now, one of those prosperous communities can use up their budget for other public expenditures and then under this definition, as it is written, come to you and ask for more money because they have run out. That is what it says?

Mr. SWEENEY. Congressman, you are quite correct in what is legally possible.

Mr. CRAMER. Yes.

Mr. SWEENEY. I do not believe it is politically or administratively possible that that would be the result, because I do think the Commission in recommending who should be advantaged by that section would take heavy consideration of the program development criteria outlined in section 224. This states that—

the population and area to be served by the project or class of projects including the relative per capita income and the unemployment rates in the area—

shall be a prime consideration of the Commission in determining who shall get aid.

I think it would be perfectly apparent this Commission would fall apart if it began to put its money in places like Pittsburgh and Knoxville in great quantities, where those communities are obviously quite able to finance a major share of their own public investment.

Mr. CRAMER. Well, of course the position you have taken before this committee last year and earlier yesterday was, as I understand it, that some of these investments in these prosperous areas were justified since they had a favorable effect on nonprosperous areas?

Mr. SWEENEY. That is right. Yes, sir.

Mr. CRAMER. It is quite possible your position would be to put substantial funds in prosperous areas?

Mr. SWEENEY. If they would advantage the regions we are trying to advantage; yes, sir. That is really the purpose of the formula.

Mr. CRAMER. And this section permits the expenditures of these funds on any and all grant-in-aid construction programs; right?

Mr. SWEENEY. Yes, sir; that are presently in existence, or that will be in existence by the time this bill is enacted, assuming it is enacted.

Mr. CRAMER. That includes the provisions contained in this act as well?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. So where you have a limitation of a certain percentage related to, for instance, demonstration health facilities, this could supplement that; right?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. Up to 80 percent of the cost?

Mr. SWEENEY. Well, I think that would be unnecessary since that basic provision calls for 80 percent.

Mr. CRAMER. Up to 80 percent?

Mr. SWEENEY. That is right.

Mr. CRAMER. But if they decide to give less than 80 percent—50 percent, for instance, they can get the balance out of this general section?

Mr. SWEENEY. Well, again, it would be my own judgment that it would be very difficult to convince the Secretary of Commerce who will approve these projects in their ultimate form, or indeed the Commission, that a fund which already provides up to 80 percent costs ought to be supplemented by something which has a maximum of 80 percent on it. We think the \$41 million asked for in that section are adequate to build the regional health centers that are necessary.

Mr. CRAMER. And those regional health centers can be located in prosperous areas?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. Now, do you agree with all of the Senate amendments added as contained in S. 3? I am not talking about the ones added on the floor, necessarily, but those contained in S. 3 voted out by the Senate committee?

Mr. SWEENEY. Mr. Cramer, I sit here before you as a representative of the administration and the administration's position was that the dollars that would provide for strip mine demonstration work, in the House and Senate bills originally introduced, were adequate for the immediate future. The administration has publicly by letter to Senator Randolph opposed the Scott-Clark-Randolph amendment. I think that obviously is my position, Mr. Cramer.



Mr. CRAMER. Then you think this committee ought to reject that amendment; is that right?

Mr. SWEENEY. Mr. Cramer, I do not think that is what the contents of Mr. O'Brien's letter to the Senate was, and I would certainly not advise this committee on that. I think the facts are clear. The Senate has expressed its view on what should be in the bill.

Mr. CRAMER. Now, testifying on behalf of the administration, should we leave it in or take it out?

Mr. SWEENEY. Well, I repeat, and I can only speak for the administration, that this was a view that the dollars that were in the original bill were adequate within the budgetary requirements—that the President felt he had to meet—and I feel I cannot say more than that.

Mr. CRAMER. Therefore, we should take out the \$15 million added and the section added on page 25?

Now, how about the Lausche amendment to that, which is contained on page 1658 of the record, which says:

No moneys authorized by this Act shall be expended for the purpose of reclaiming, improving, grading, seeding, or reforestation of strip mined areas except on lands owned by Federal, State, or local bodies of government, until authorized by law after completion of the study and report to the President as provided in subsection (c) of this section.

Mr. SWEENEY. Mr. Cramer, I believe what I stated to Mr. Kunkel is true that this will not jeopardize—that amendment would not jeopardize—a program that could greatly advantage the Appalachian region; namely, reclamation of incredible eyesores and some lands to be used——

Mr. CRAMER. As far as the Government-owned properties are concerned.

Mr. SWEENEY. I believe this amendment will not prevent substantial reclamation.

Mr. CRAMER. So far as Government-owned property is concerned?

Mr. SWEENEY. That is right; but it will hamper the efforts primarily of the Fish and Wildlife Service to provide additional hunting and fishing lands in Appalachia.

Mr. CRAMER. Relating to private land?

Mr. SWEENEY. That is privately owned; yes, sir.

Mr. CRAMER. It will hamper it only until the study is completed?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. This study, incidentally, on page 25, paragraph (c), which was referred to in the amendment, provides for a study of a comprehensive long-range program for the purpose of reclaiming debilitated strip- and surface-mining areas of the United States, line 17 through 20. I note that they do not limit it to coal mining?

Mr. SWEENEY. That is right, sir.

Mr. CRAMER. Now, is it contemplated that this study should include any and all strip-mining activities throughout the United States?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. Whereas the balance of this section is limited to the strip mining of coal in Appalachia?

Mr. SWEENEY. It was our belief, and I believe one the Secretary of the Interior vigorously advanced—it would be uneconomical to study just coal lands in Appalachia since, obviously, strip mining occurs in many places outside of Appalachia.

Mr. CRAMER. So, in effect, this is not limited to a coal mine study?

Mr. SWEENEY. No, sir.

Mr. CRAMER. In effect, the Lausche amendment would not thus be limited to coal mine study as it relates to this section; and, thirdly, it means that this total bill has a much broader scope than Appalachia?

Mr. SWEENEY. Study; yes, sir.

Mr. CRAMER. For one purpose or another. We are not talking about a study.

Mr. SWEENEY. Well, no funds can be invested except in the counties listed at the end of this bill.

Mr. CRAMER. How are you going to have this study in subsection (c) without the money?

Mr. JONES. Well, I might say the Department of the Interior has that authority at the present time to make those studies. We called on them yesterday in our briefing session; pointed out that the study had been inspired by the problems of acid mine drainage, so the Department of the Interior is carrying out those studies at the present time.

Mr. CRAMER. But this deals with the restoration of lands that have been stripped. I do not think the Interior Department has authority in that field as yet, unless we give it to them in this legislation. Is that correct?

Mr. SWEENEY. They do have the authority to reclaim land in the Fish and Wildlife Service. They have the authority to do this in the Forest Service—to reclaim land. What is limited, obviously, is appropriations from the Congress.

Mr. CRAMER. Well, now, do mean this amendment, added by the other body, adds nothing to the present law, as it relates to the Federal Government's authority on strip-mining restoration?

Mr. SWEENEY. Sir, it permits the expansion of this strip-mine reclamation where it does not presently exist. For example, a good bit of this work would be done by the Bureau of Mines which presently has no authority to do that. Strip-mine reclamation of the Department of the Interior is carried out primarily under the Fish and Wildlife Service's general charter to reclaim land the public will then be able to use for hunting and fishing.

Mr. JONES. And the Department of Agriculture.

Mr. SWEENEY. Forest Service; yes, sir and the Soil Conservation Service.

Mr. CRAMER. Well, now, paragraph (c), however, does provide for a study throughout the United States on all types of strip-mining rehabilitation?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. And how about the Senator Kennedy amendment relating to the inclusion of 13 counties that happen to be contiguous to what your Commission suggested should be included in Appalachia?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. What is your Commission's recommendation relating to those 13 counties?

Mr. SWEENEY. I cannot speak for the Governors. I would be able to say this: That New York was an original participant in the Conference of Appalachian Governors. For reasons I have never clearly understood, because that happened long before I became associated



with the Appalachian efforts, New York withdrew its official participation in the Conference of Governors. Over the past several years, we have talked with a number of people in New York who have expressed an interest in some of the counties becoming part of this program. Now what Senator Kennedy's amendment does is provide that a study shall be undertaken by the new Commission and the Governor of New York to determine whether the counties that he has listed should be included. If they should be—if they do fit economically and geographically within the Appalachian region—then the Commission is given the power to invite them to join and the Governor is given the power to accept such an invitation.

Now, from a practical standpoint, I think it is clear to everyone who has been associated with the Kennedy amendment that it would be above the call of duty for these Governors to invite New York to participate in terms of the major-action programs and the dollars that are being invested. I do not think that the Governors of the 11 States, which have presented highway estimates on which we have based this bill, would necessarily be overjoyed at the prospect of giving up part of that highway allocation that they will presently enjoy to the State of New York. I think, ultimately, in order for New York to fully participate in the program, there will have to be an increase in the authorization.

Mr. CRAMER. In other words, the present authorization amount is not adequate to cover the 13 counties that would be brought in by New York?

Mr. SWEENEY. I do not know about that effect, sir; that would come only after study of first of all, their eligibility and secondly of their needs.

Mr. CRAMER. To bring them in, the other States have to vote for it?

Mr. SWEENEY. At least six of the other States.

Mr. CRAMER. That is right. And the other States are not likely to want to cut the pie with New York, if they have already projects that they think will absorb the total amount?

Mr. SWEENEY. They would probably be willing to in certain portions of the program, for example the Water Resource Survey, because it does not involve a substantial amount of dollars, but in terms of major public investments, such as highways I would share your views.

Mr. JONES. The water resources study was just completed in 1956, a study of the New England States at a cost of \$6 million, probably the most comprehensive study of water resources that has taken place. Are we going to go back and resurvey what has already been surveyed?

Mr. SWEENEY. I do not mean, Mr. Jones, that would be an absolute fact; all I meant is in the event some of the river basins within these 13 counties have not been adequately surveyed, I think that could legitimately be done under this section.

Mr. JONES. We went so far as to pass the New England compact as a result of that survey and a lot of us on the committee complained of the compact because we have never seen the effects of the water resource compact yet totally effective. So after we passed the compact, we went so far as to include \$75,000 in administrative costs, something we have never done heretofore.

Now what has happened to the compact? Absolutely nothing.

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. It was my position that a Federal representative should not be on the commission and have a voting right which was a new precedent set in that commission. It is interesting to know now that we have gone the last step of injecting the Federal Government into these commission operations. The Federal Government not only has a vote in this one—I am talking about the separation of State and Federal powers under our Constitution. When these State commissions have been approved in the past, the Federal Government has been an advisory member. The States make the decisions, the Federal Government is advisory. If they do not like the decision, the Federal Government in its participation can then make its decision, but under the New England compact the Federal commission member became a voting member for the first time. Now, we have gone the full round. The Federal representative is not only on this commission, which does not even have to have compact approval—the States do not have to approve it in the legislatures, as in the case of the compact, but in addition to that the Federal representative has veto power not only over the total program but over every single project. Is that not right?

Mr. SWEENEY. That is right.

Mr. JONES. Section 222, "Consent of States," if there ever has been a States rights bill, this one because it provides that—

nothing contained in this Act shall be interpreted as requiring any State to engage in or accept any program under this Act without its consent.

Mr. CRAMER. That is right, and then it gives its consent and the Federal Government says, "No." So that is veto power, so far as what the States might want.

Mr. WRIGHT. Will the gentleman yield?

Mr. CRAMER. I yield.

Mr. WRIGHT. Is it not true that this mutual veto power exercised on the part of the Federal Government, also exercised on the part of any one State with respect to any program or project within that State and exercised by the State in concert through the requirement that a majority of those States must approve affirmatively any program before it can go into effect at all, whether the Federal Government wants it to or not, is exactly what is necessary to achieve maximum harmonious relations? In other words, no party or group of parties to this compact or agreement can thrust down the throat of any other unwilling party any program or any project which that party does not want?

If the State as a whole does not want it, the Federal Government cannot force it down their throat. If one State does not want it, neither the Federal Government nor all the other States in concert can force it on them. Therefore, since the States have veto power individually and collectively, and since Congress is putting up a billion dollars, is it not appropriate that the Federal Government also should have power to veto in order that we may be assured that any program that goes into effect would have unanimous agreement of the parties thereto?

Mr. SWEENEY. I would like to get a transcript of that, Mr. Wright.

Mr. CRAMER. Well, that is a difference of opinion between the gentleman from Texas and the gentleman from Florida. I think the Federal Government should not have veto power; they should have



obviously advisory, obviously consultative position and as long as the program that the States request is consistent with the policies of the act and the existing policies of the administrative agency, the Federal Government should have absolute veto power if the commission member who is cochairman of the commission representing the Federal Government does not happen to think it fits into his concept of how this entire program should be operated.

Mr. WRIGHT. Well, does the gentleman feel the States should have the veto power which we confer on them in section 222?

Mr. CRAMER. They should have power to make initial recommendations as in the case of many other instances.

Mr. WRIGHT. Does the gentleman agree with section 222 which gives the State veto power over anything that is going to happen in that State?

Mr. CRAMER. I think no State should be required to participate in the phase of a program they do not wish to.

Mr. JONES. They cannot.

Mr. CRAMER. We are now talking about the positive and the affirmative approach of the States who want in the program. If all 11 vote yes, and the Federal Government says, "Well, now, we do not think this is where it should be located; we do not think this is going to have an adequate effect on the long-range economic development of the community; we think that the X project instead of the Y project should be approved. We, therefore, veto," that is it. This is as bad as the United Nations, where Russia vetoes.

Mr. SWEENEY. Mr. Cramer, that exists right now; I think your objections are to the fact there is a preliminary veto in the Federal representative. The Federal Government has a veto over every single project presented before it.

Mr. CRAMER. No, as long as it conforms to the standards set up in the agency relating to the present program. You are now talking about new broad general standards which the Federal representative in effect will establish.

Mr. SWEENEY. Mr. Cramer, I would repeat, regardless of whether or not the standards are met, these standards are never so precise that a local community or State can be assured that it has met them under any Federal program that I know of. There is a give and take; there is modification; in some cases, outright rejection. I think this committee has consistently referred to the objective standards of the highway program.

Mr. CRAMER. You have certainly changed the procedures in regard to highways, because the States' recommendations are nearly always accepted by the Bureau of Public Roads and the Bureau has no right to go in and dictate where highways are going to be located.

Now, I want to get back to the Kennedy amendment because I think our committee would like to know what action we should take, if any, concerning it. It reads, "The Commission is authorized and directed to invite the State of New York to participate in the Commission on an appropriate basis."

What would be your understanding; you are possibly going to be the Federal representative. You are Director of the Commission now. What would be your understanding of what that means—"appropriate basis"?

Mr. SWEENEY. I think it might be as I described it originally, that the States would agree to invite New York to participate by an enumeration of those programs which New York would be eligible for, prior to the time that Congress passes a further authorization allowing for full participation.

In other words, I think that the Commission might determine, in consultation with the Governor, that yes, indeed, these 13 counties did conform to an Appalachian pattern; therefore, they should be admitted. Invitation would be extended. The Governor would accept. But the invitation, I think, would be clearly restricted in terms of what programs New York would participate in until Congress had again acted, and I think that is what appropriate basis means.

Mr. CRAMER. You mean you consider this amendment gives authority to the Commission to say New York can be a partial partner, that they can participate in certain phases of the program but not other phases of the program, and not only that, but the extent to which they can participate?

Mr. SWEENEY. I do, yes, sir; I think that is what "appropriate" means.

Mr. CRAMER. Then New York could come in on a limited basis?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. As a matter of fact, that is what is contemplated, is it not, if it comes in, the 13 counties, it will be on limited basis?

Mr. SWEENEY. I do not know that, sir. I am guessing at what the reaction of the States might possibly be.

Mr. CRAMER. Well, now, that is a pretty classic example of this regional approach. There are, are there not, numerous upstate New York counties, some of which are perhaps more economically hard pressed than are these 13 counties? Now there is no way they can qualify if they are not contiguous, is there?

Mr. SWEENEY. I believe that is right, although I guess the amendment, to be totally legal about it, does not restrict the counties to the 13 which are generally considered to be most Appalachian.

Mr. CRAMER. Well, the Javits amendment reads that the Commission is authorized to conduct a study to consider the inclusion of such counties of the State of New York as are contiguous to the Appalachian region.

That definitely limits it to exclude noncontiguous counties.

Mr. SWEENEY. Well, he can find "contiguous" counties—I think Senator Javits said right up to the Canadian border.

Mr. CRAMER. Then you mean it could include more than 13 counties in New York?

Mr. SWEENEY. I think the legislative history followed by the Commission and Governor, the legislative history being made by both that Senator Javits and Mr. Kennedy said that they had in mind only 13 counties. The amendment, however, clearly does not restrict either the Commission or Governor to file an enumerated list of counties as long as they are contiguous to the Appalachian region and to each other.

Mr. CRAMER. I understand that in the section relating to this hospital construction demonstration, health facilities, page 17, line 8, it provides for grants to be paid by the Federal Government and 100 percent of the cost for the first 2 years; 50 percent for the next 3 years;



and that expenditure is not to exceed \$28 million. We do not now have authority to make such payments under present legislation; the Federal Government does it.

Mr. SWEENEY. No, sir.

Mr. CRAMER. Well, this is a new program going into the operation of these facilities, including the hiring of doctors and everything else, paying their compensation, is it not?

Mr. SWEENEY. Not by the Federal Government.

Mr. CRAMER. Well, the Government makes the money available to the States?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. 100 percent of cost of operation?

Mr. SWEENEY. Minus whatever fees and income the hospital receives from other sources; yes, sir. I think you phrased it yesterday, Mr. Cramer—it can be 100 percent of the deficit in the operating cost.

Mr. CRAMER. Well, I did after you explained that your thought was it would be deficit, with 100 percent of the operating deficit.

Mr. SWEENEY. Yes, sir; I believe last year's report of this committee clearly specified that and the Senate's report also.

Mr. CRAMER. On section 203 relating to land stabilization, conservation, and erosion control, 80 percent of the cost—this is to be operated under contracts which can be entered into for 10 years, can they not?

Mr. SWEENEY. Three to ten years; yes, sir.

Mr. CRAMER. Your Commission may be out of business after 6 years; is that right?

Mr. SWEENEY. These contracts would be between the Secretary of Agriculture and—

Mr. CRAMER. I understand. Therefore, this section would have to be added as to time after the 6-year period. Some authority would have to be given the Secretary?

Mr. SWEENEY. No contracts could be made after 6 years but obviously the life of these contracts would extend through a stated termination date.

Mr. CRAMER. And this proposal relates to a maximum of 50 acres of land?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. Now, the previous proposal related to the rehabilitation of grazing lands and so forth; 25 acres; is that right?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. How do you consider this an improvement over that, since the most objectionable section—one of them I think the gentleman from Texas even suggested before the Rules Committee that he felt it should be deleted from the bill? How does this meet the objection raised by many members of this committee?

Mr. SWEENEY. I would rather have Mr. Wright answer, if the gentleman would yield.

Mr. WRIGHT. Yes; I would say that this new section inserted by the other body fully meets the objection that those of us had to the section originally contained in the bill, in that we felt that section issuing an invitation and encouragement to the expanded operation of cattle was putting people in the Appalachian region not only in competition with a distressed industry in our country but on the other hand was putting them into an unprofitable and uneconomic business, which they would not find viable themselves.

So we have an entirely different section, one that does go to the business of attempting to put them in cattle operations but one which approaches a broad field of land improvement, erosion control, soil conservation which would approve a variety of accepted land-treatment practices, perhaps terracing, perhaps cover cropping, perhaps leguminous crop planting, a long variety of things which, within the judgment of the Department of Agriculture, have become accepted practice in making this land economically self-sufficient. Due to this terrible erosion, these great gashes that have been carved across the hillsides by the onrushing waters over the years, much of this land has been reduced to a situation of non-self-sufficiency. So I think it is an entirely different philosophy we have in this section; and I think it completely meets the objections of those of us who found the other bill wholly unacceptable.

Mr. CRAMER. It would include also, would it not, raised cover crops as a conservation treatment and land-use method?

Mr. SWEENEY. That certainly would be one of the practices among an enumerated list of 20, if the regulation followed those of the Great Plains program.

Mr. CRAMER. You would still have grazing lands as part of this section and it still does not meet the objection of adding agricultural acreage, possibly in very uneconomic fashion, 50 acres, in competition with acreage, much of which we are still trying to get out of production as a national policy?

Mr. SWEENEY. I think, as Mr. Jones said yesterday, 50 acres is a fairly good farm in Appalachia, if it has been treated properly. It becomes a far more economical unit than it has been in the past; more than that, Mr. Cramer, it becomes a resource which today is being just enormously exploited and because of its exploitation, because it is in marginal cropland, it becomes a real threat to any kind of sound conservation in the region. This is an effort to provide that kind of conservation. In among the Department it has been estimated that the major purpose in this would be to install farm ponds, to terrace, to install waterways, reforestation—

The objective of this is to help upgrade areas and as a matter of fact, many would qualify—

Mr. CRAMER. These suitcase farmers they talk of—up to—

Mr. SWEENEY. Up to 50 acres.

Mr. CRAMER. Up to 50 acres he can qualify, too?

Mr. SWEENEY. Yes, sir; but I think the practical effect of administration of the program by the several local units which are involved in administering the program, is that the likelihood of absentee owners receiving the bulk of these funds would be rather slight.

Mr. CRAMER. He could enter into a lease and so forth with a tenant farmer to overcome it?

Mr. SWEENEY. Yes, sir; with the objective being to conserve the lands.

Mr. JONES. Will the gentleman yield?

Mr. CRAMER. Yes, sir.

Mr. JONES. There will not be any change in the existing program of ASC? There is no restriction on ownership? Those are wiped out to a continuing program of lands and conservation use?



Mr. SWEENEY. I think, Mr. Jones, if I could add to what Senator Randolph made such a strong point of in the Senate, that under the Great Plains program there is a \$15,000 maximum limitation on contracts. This program could probably never exceed \$2,500 per contract, even the 50-acre limitation.

Mr. WRIGHT. Will the gentleman from Florida yield?

Mr. CRAMER. Yes.

Mr. WRIGHT. I think the gentleman from Florida has a valid point, although it does not go expressly to this bill any more than it goes to our entire gamut of agricultural legislation. I would certainly agree with the gentleman from Florida to the inclusion in the committee report an attempt to spell out legislative intent, a statement to the effect that we would hope to see some priority given to those indigenous landowners who are struggling to carve out an existence and get a foothold on the side of these hills by which they could individually support their families, rather than have the bulk of this money, although I think the 50-acre limitation inhibits that, go to absentee landowners.

Mr. JONES. It would have to be restricted to the money made available in this bill, basic agricultural act providing for soil practices varied from State to State and practices of the areas of Appalachia. You will find there are approximately 19 credit programs under which they can qualify, notwithstanding this bill, so the language would have to be directed to this bill and not to the general authority of the Department of Agriculture in the administrative program conducted under the ASC program.

If you will examine the farm practices in this area, they are not involved or engaged in the basic crops which are the costly items in our agricultural appropriation for the Department of Agriculture.

Mr. CRAMER. I don't know about Georgia and Alabama and some of those other States.

Mr. JONES. That may be true on the eastern slope of Appalachia and some of the North Carolina counties, but other than a few scattered areas, they are engaged in poultry, some fruit, vegetables, and things that they produce in the immediate consuming area.

Mr. CRAMER. I understand we are going to have an Agriculture representative, so any other questions I will reserve for his discussion.

In this water resource study section, although there is a catchall amendment with regard to expenditure of funds under this section relating to power and so forth, it does provide for the study, does it not, on page 29, line 2, this plan may recommend legislative control of floods, regulation of rivers to enhance the value as sources of water supply for industrial, municipal generation of hydroelectric power, et cetera.

So far as the study is concerned, it would include a study of hydroelectric power development?

Mr. SWEENEY. In conformity with present practice; yes, sir.

Mr. CRAMER. I just have one or two more questions. I don't want to take up the whole period.

With regard to the highway program, you talked about, or the bill does, a development highway system. Directing your attention to the word "system." Do you have that map of that highway system?

You have a tentative proposal with regard to what highways should

be included. These black lines, as I understand it, are the suggested development roads, are they not?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. To what extent have those suggested routings been changed since this proposal initially came up?

Mr. SWEENEY. Mr. Cramer, at this time there is a team representing both the Federal Government and the States trying to determine whether changes are necessary in such a system, and there are some cases, as I explained yesterday, where substantial local pressure has been brought to bear on the State highway departments to change not the general corridor, but the precise routings those roads might take.

I think down in the State of Virginia there has been substantial pressure to change a couple of the routes to those in slightly different locations, but to my knowledge there has been no definitive statement made on this, and there would not be until the Commission actually began its work and completed its own study.

Mr. CRAMER. Then, as I understand it, according to the map, Alabama receives no highways; is that right?

Mr. SWEENEY. Not the major arterial roads; their needs, as they have expressed them, are for access roads.

Mr. CRAMER. Not development highways as compared to the access roads?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. On the other States on which you submitted previously the mileage, does that still conform to about the same anticipated mileage?

Mr. SWEENEY. Based on the knowledge we have now; yes, sir.

Mr. CRAMER. South Carolina was added. That was not in your previous list. How many miles would be allocated to South Carolina?

Mr. SWEENEY. I think, as that map shows, the exact portion of South Carolina is interlaced thereby an east-west and north-south interstate road, and therefore their needs are also in access roads.

Mr. CRAMER. Therefore, they would not qualify for development highways?

Mr. SWEENEY. They would legally qualify, but their needs are such apparently that they will not need development of arterial roads.

Mr. CRAMER. Does North Carolina agree with that?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. You mentioned of course an interstate system was fixed on the basis of certain terminal points and certain corridors being established connecting towns, and those corridors had to conform and relate to this developmental highway system.

Who would fix those corridors?

Mr. SWEENEY. The Commission, sir.

Mr. CRAMER. The Commission would fix the corridors?

Mr. SWEENEY. The bill specifically states they will recommend them. Of course that will be subject to ultimate approval by the Secretary of Commerce.

Mr. CRAMER. If the Federal representative does not agree with it, he may veto it? Eleven States may say they want a certain corridor established, and if the Federal representatives does not agree, he can veto it?

Mr. SWEENEY. That is correct.



Mr. JONES. The same way as the Secretary of Commerce can veto an appropriation to build any road.

Mr. CRAMER. With regard to parallel highways in these areas, do any of these developmental highways, portions of this "system," parallel existing highways? This may does not indicate the extent to which they do.

Mr. SWEENEY. In some instances, Mr. Cramer, they are an expansion of existing highways. In some cases, those highways have been deemed so inadequate that there is actually a parallel route that will replace in effect the existing major arterial route. This is common in present highway construction practice.

Mr. CRAMER. So in some instances what you are doing is providing updated highways and not new highways?

Mr. SWEENEY. Yes, sir; that is why I think the cost is relatively small.

Mr. JONES. I think you will find, Mr. Cramer, the 1954 Highway Act made State highway departments include existing highways for updating, rehabilitation, and repairs.

Mr. CRAMER. That is part of the Interstate System, that is correct; but we are talking now about opening up new development areas.

The point I want to get to is: Do you think establishing a system of highways is a better approach than considering each area that needs development and working from that direction, rather than the direction of trying to set up a system?

Mr. SWEENEY. I think it was the original starting point, to look at those areas which had substantial population clusters, significant resources and little access, and start from there, but then, to make sure this highway did not go from nowhere to nowhere, to relate them to a system which would provide total access into the region and within it.

Mr. CRAMER. Mr. Chairman, are we going to have the Bureau of Public Roads testify?

Mr. JONES. We are hoping so. Let us conclude with Mr. Sweeney and then we will bring in the other people.

Mr. CRAMER. I ask that he be requested to bring a map of existing highways with this superimposed on it, so we may take a look at it and see what this plan is, as we did when the Interstate System was planned. We knew exactly where the terminals and corridors were.

Mr. JONES. I don't think there is anything in this section of the bill that departs from the normal operation or system of scheduling the highway routes or approval by the Bureau of Public Roads. This is just a restatement of the present policy in the maintenance of the same theory of highway construction. The only thing it does is confine it to areas of the Appalachia and try to correlate it to the most useful purpose it could serve in doing the things that Mr. Sweeney has been talking about.

Mr. HENDERSON. Mr. Chairman, may I ask a question of Mr. Sweeney?

Mr. JONES. Let us proceed, and then I will call on you.

Do you have any further questions?

Mr. CRAMER. I will yield to the gentleman if it is in context.

Mr. HENDERSON. How far along have you gotten in your efforts with the State in the development of this system? The highway commission has been working on this for some time.

Mr. SWEENEY. Sir, we have a survey of what highways they have thought appropriate as they have been approved by the Bureau, and the relative cost of each section of those highways.

The point I was making, in some States there has been substantial local pressure brought to bear to provide somewhat different routings of these highways, which the State highway departments are considering in conjunction with our staff. I am making an airplane trip next Thursday over southwestern Virginia, along with our staff people, to determine exactly what the issues are that confront the local people in their desire to see some slightly different routing.

I would say 80 percent of this system is locked in as it appears on this map, because those are obviously the roads that are the most necessary. In 20 percent of the cases there may be disagreement, and they are in the process of being resolved at this moment.

Mr. HENDERSON. This program is one of a joint effort between the State highway commission—

Mr. SWEENEY. Yes, sir; the Bureau of Public Roads and our staff.

Mr. CRAMER. That is what I was getting into. Did your Commission ask the States to recommend, No. 1, where development highways should be located; No. 2, access highways, and where they should be located?

Mr. SWEENEY. The access highways, no, sir; because they are really dependent upon other forms of investment in this bill. You have to have a total development picture of a given area before you can determine access roads. If you are going to develop a portion of the region in a certain manner for industrial purposes, the needs for access roads might be entirely different from those to be developed for recreational purposes or for timber development.

Mr. CRAMER. Is it your intention as it relates to access roads to first ask the States what they believe they are entitled to in the way of allocations of this thousand miles?

Mr. SWEENEY. Mr. Cramer, just like every other section of the bill, highway recommendations will come up through the States.

Mr. CRAMER. It does not read that way. On page 14 it says:

As soon as feasible, the Commission shall submit to the Secretary its recommendations with respect to (1) the general corridor location and termini of the development highway, (2) the designation of local access roads to be constructed, (3) priorities for construction of the local access roads and of the major segments of the developmental highways, and (4) other criteria for the program authorized by this section.

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. Other than No. 4, these are responsibilities and rights of the States under the present highway system determining where highways shall be located and which ones should be built.

Mr. SWEENEY. Yes, sir. We don't think we interfere with that at all. The section of the bill first says, section 223, the Commission must consult with appropriate State officials and Governors; secondly, the lock-in provision of section 303 states an application for a grant or for any other assistance for a program must come to the Commission through the States. The Commission itself cannot unilaterally—and by that really you are saying the Commission staff—recommend any program. It must come to it from the State, and no program can be approved by the Commission that has not been approved by the State.

Mr. CRAMER. We are talking about a specific project.



Mr. SWEENEY. Or program.

Mr. CRAMER. We are talking about the total access road program for a given State.

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. It must first come from the State before you people consider it?

Mr. SWEENEY. Yes, sir, and we cannot approve it unless it is approved by the State.

Mr. CRAMER. What standards under this section are provided for access roads?

Mr. SWEENEY. Mr. Cramer, the standards would be those that apply in title 23. I will not try to answer this specifically because you are going to have witnesses from the Bureau of Public Roads to explain what those roads are.

Mr. CRAMER. As I understand it, there are no instructions down there for the access roads.

Mr. SWEENEY. The title 23 standards apply.

Mr. CRAMER. There are no access roads in existence under title 23 at the present time.

Mr. SWEENEY. It is our belief that they will qualify in terms of the secondary road standards that are presently in existence under title 23.

Mr. CRAMER. Do you have any objection to writing that in the bill?

Mr. SWEENEY. I would rather have the Bureau of Public Roads answer that because I am not certain in some cases, where you are putting in a forest or timber access road, those are necessary. I don't know that from a technical standpoint.

Mr. CRAMER. It says: "They shall be added to the system and be required to be maintained by the State." That applies to development highways, but not to the thousand miles of access highways.

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. What is the reason for that?

Mr. SWEENEY. Again, I would rather have the Bureau answer that question.

Mr. JONES. Are there any other questions?

Mr. CRAMER. No.

Mr. JONES. Mr. Edmondson?

Mr. EDMONDSON. No.

Mr. JONES. Mr. Henderson?

Mr. HENDERSON. I should like to compliment Mr. Sweeney on his presentation today, and particularly for his explanation of the basic concept between the State effort and the Federal effort. I think this is a sound approach to this problem, particularly with the idea of using existing agencies and existing programs to get this job done in this region. I think it is certainly novel and unique, one that the framers of this piece of legislation should be complimented on.

That is all.

Mr. JONES. Mr. Baldwin?

Mr. BALDWIN. Mr. Sweeney, you mentioned that when and if this bill was enacted into law there would then be submitted immediately a supplemental appropriation request, and you mentioned specifically that included in that supplemental appropriation request would be about \$50 million for programs that are now authorized under existing law which would be speeded up in the Appalachia region. Is there in

the present budget funds for fiscal year 1966 for those activities that would be authorized under the actual provisions of this bill?

Mr. SWEENEY. Yes, sir.

Mr. BALDWIN. What amount is in the budget for fiscal 1966 for the programs to be authorized by this bill?

Mr. SWEENEY. \$365 million in new obligation authority. That is within the President's budget message he has submitted to the Congress.

Mr. BALDWIN. I am curious in this respect. If the some \$350 million were included in the budget message to Congress and put in there on the assumption this bill was passed, why was not the other \$50 million likewise put in the budget?

Mr. SWEENEY. That is included within that dollar amount, sir. \$365 million includes funds necessary to authorize this program contained in H.R. 4 plus the supplementation to existing authorizations.

Mr. BALDWIN. Why would it be necessary to submit a supplemental budget request if they are already in the budget that has been submitted?

Mr. SWEENEY. I am sorry if I confused this question. I based my statement on several assumptions; on the assumption that the Congress would act early this year rather than have a program delayed until July of 1965—the President might send up a budget and an appropriation bill that would be applicable to 1965, a supplemental bill, which would enable them to recommend expenditures which the Federal agencies would then expend under the 1965–66 budget.

They might recommend a supplemental bill that would carry the Commission through to July of 1966. There is \$365 million in NOA authorized.

Mr. BALDWIN. Does that mean a portion of that would simply be moved up as a supplemental request in fiscal 1965?

Mr. SWEENEY. All I am saying, if the supplemental approach is adopted—and it depends largely on when the Congress passes the bill—if you gentlemen were to enact the bill, let us say, by March 31, and the President to sign it immediately, that would leave 3 months of activity still remaining in 1965. I have no idea what the Budget Bureau, and ultimately the President, will decide. They could put out a supplementary bill that would put the Commission in operation right away.

Mr. BALDWIN. I would like to go into the matter of distressed counties in Appalachia in comparison with those which are not.

As you know, I was interested in this yesterday and I was also interested in it last year. The testimony we had last year was that there are about 67 counties within Appalachia that did not meet the definition of a depressed area under the bills. This may have varied in the intervening year because of changes of employment in the various counties.

It is my understanding, for example, that the county in South Carolina that has the highest per capita income of any county in the State is within the defined Appalachian region.

Mr. SWEENEY. Yes, sir.



Mr. BALDWIN. It is my understanding also that this may likewise be true in Alabama, that the county which has the highest per capita income of any county in the State is within the Appalachian region.

Mr. SWEENEY. I believe that is true. I believe that is the Huntsville area.

Mr. BALDWIN. The thing that bothers me is that there are counties outside of Appalachia that are depressed, that have a substantial amount of unemployment that would meet the test of the ARA bill or the APW bill, but because they are outside of Appalachia, they would not only not qualify for any of these particular additional benefits, but would be paying Federal taxes to make these programs available to these 67 counties in Appalachia which are in themselves not depressed.

Just as case in point, we have in California—not in my district, but in the district that suffered the tremendous flood damage of a month or so ago—counties which have been depressed for years because of a depressed condition in lumber. But those counties will be paying taxes to make it possible for all these special benefit programs to be made available to the county in South Carolina which has the highest per capita income of any county in South Carolina.

To me, this is discriminatory.

Mr. JONES. Mr. Baldwin, will you yield for a moment?

Mr. BALDWIN. Yes.

Mr. JONES. You know I was appointed chairman of the subcommittee which just visited the devastated areas of the West, and it was our expectation the Federal Government, through various agencies, would have to provide extraordinary funds to relieve those people out there and give them an opportunity to restore their economy.

We in Alabama don't like to pay taxes, any more than any other area does, but it is a responsibility we have to see that northern California is not disrupted to the point that it cannot be productive.

Mr. BALDWIN. Will the gentleman yield?

Mr. JONES. I don't think that provincialism is a proper description of this bill, because it has universal results needed in our country.

Mr. BALDWIN. Will the gentleman yield?

Mr. JONES. Yes. I just wanted to make that observation.

Mr. BALDWIN. I understand and I appreciate this. This does not apply to my district because my district was not involved. I appreciate the fact the subcommittee went out there, and this is only proper. We have done this traditionally. But you mentioned this will restore the flood damage.

I just mentioned the flood damage incidentally. These counties have met the test of depressed counties for years, because of a depressed condition in lumber. The point I make is I do not want to restrict it to California; it would apply to any State.

Counties in many different States are in themselves depressed, that have 15 to 20 percent unemployment, that meet the test of a depressed area under the ARA and APW, but they not only do not qualify under this act for any special benefits, but must pay taxes to counties

in Appalachia that in themselves are not depressed and do not meet the test of the ARA bill, and do not meet the test of the APW bill.

I think it is discriminatory when a county with 15 or 20 percent unemployed has to pay special taxes toward the county in South Carolina, as an example, or any other county in Appalachia, which in itself not only is not depressed, but has the highest per capita income of any county in the State.

This is why it seems to me this act should be amended to have a provision in it that any area within the defined region of Appalachia that in itself does not meet the test of a depressed county under the ARA bill or the APW bill, should not qualify for the special benefits, such as an additional share of vocational education, or additional layer of health benefits.

All these States qualify under our basic nationwide programs of antipoverty; the basic nationwide vocational act, the basic nationwide Hill-Burton Act, and we are putting through this act a second layer applicable to these States, and I don't think that second layer should apply if the individual areas within it are not depressed.

I don't think this is fair to areas outside Appalachia.

I would like to ask a question of the witness: Why would you not be willing to have an amendment of that kind to actually make this applicable? I am not referring to the highway program. The amendment I offered last year did not refer to highways.

But why are you unwilling to support an amendment that would actually concentrate these special benefits to the areas that are really depressed, as compared to the areas that do not meet the tests?

Mr. SWEENEY. We feel so strongly about it that we feel such an amendment would severely hamper the execution of this program. If I could just take a minute to say that you are on exactly that subject which marks the whole debate that I believe is going on in Washington today, both in the Congress and in the administration and, indeed, throughout the country, as to what constitutes an effective development program.

Appalachia lacks cities. Its major problem is that 43 percent of the people in Appalachia are classified as "rural nonfarm;" they do not farm for a living and they live in what we have called ribbon towns down these long, narrow valleys, with no urban amenities whatsoever. They are stretched out. You cannot provide facilities for each cluster of people; there is just not enough money in the U.S. Treasury, or the State treasuries, or through local means, to do that.

Funds must be concentrated and clustered where they would begin to provide an urban environment and attract employment; or, secondly, where there is a significant recreational potential.

We believe most of the money in this program will go to precisely the counties you are talking about. But, for effectiveness in a given area, it may be necessary to put money in a community which does not qualify under present objective criteria; namely, unemployment or low income, or you will not be able to do a thing for that subregion.

A classic example is that highway patterns generally lead in and out of strong communities. They are the most accessible. They are the



ones where you could most conveniently locate a regional hospital, perhaps, to serve the greatest need; where a vocational training school would best serve the needs; where putting in an airport would best serve the needs. Placing of these institutions in this type of community would enable that community to take off and, thereby, provide employment for people from all these surrounding counties.

Here in Washington, we drive 45 minutes to go 8 miles. In Appalachia, you can go between 40 and 50 miles in 45 minutes. A chemical complex there attracts its workers from 15 surrounding counties. Plants have to be located where they are close to transportation; where they are close to market access.

We say: Do not destroy this program by insisting that you must put your facilities where they will probably stand the less chance of attracting industry, or recreational growth, or any other kind of employment.

We do believe most of this money will go into presently depressed counties. Certainly that is true in the hard core of Appalachia where there is no such thing as a healthy county, except in very rare instances.

All we are saying is: I think it would be a mistake to judge this Commission as being totally insensitive to human needs and to political needs. If this Commission were to start to pour its money into Knoxville and Chattanooga, it would soon die. If the States themselves did not kill it, obviously the Congress would.

But, where a particular project is needed, let us go into an area in order to make it viable; in order to provide decent opportunities for people in surrounding areas. We believe that we should not be restricted from doing that.

Mr. BALDWIN. The testimony of last year of several witnesses—and I particularly recall the testimony of the witness representing the State of Virginia—was certainly the kind of testimony that, to me, did not support certain aspects of this bill as it applied to those areas in Virginia. The testimony of the witness from the State of Virginia was that a number of counties in Virginia, about two-thirds of them, were not depressed; had very low unemployment rates; in fact, as I recall, a witness said the State of Virginia had about the lowest unemployment rate in the Union.

Mr. SWEENEY. Not the Appalachia portion, sir.

Mr. BALDWIN. The State as a whole.

Mr. SWEENEY. Yes, sir.

Mr. BALDWIN. He mentioned two-thirds of the counties in northern Appalachia were not depressed and had an extremely low rate of unemployment.

You have mentioned a case where there is a hub area with some counties related to it. This is not true of two-thirds of the counties in Virginia. They have not only the hub nor the surrounding areas depressed in any sense; they did not meet the APW standard nor the ARA standard.

This is what is, to me, fundamentally discriminatory: that these will become eligible for a second layer of assistance.

Let me point out, all the counties in Appalachia—depressed or not depressed—qualify in the antipoverty program for special assistance; they qualify under the vocational training program; they qualify under the Hill-Burton Act for assistance.

So the question is: Are we going to superimpose on these counties another layer of assistance? I think it is unfair and discriminatory.

Mr. SWEENEY. I can't say more than I did. I do believe, in certain areas of Appalachia, such an amendment would severely hamper the program. I just don't believe this Commission is going to superimpose facility after facility in areas where they have the ability to pay.

Obviously, one of the things taken into consideration is the ability of an area to pay for its own facilities but, where they are not willing to do that by purely local means—because it does not serve the immediate community but, nevertheless, putting it there would vastly serve the ability to serve the surrounding areas—we would like to offer inducements to them to do so. They are still going to have to come up with part of the money.

Mr. BALDWIN. May I ask one further question: I assume that you have available to you from the Bureau of the Budget—because they have broken down figures—the figures that would show the per capita income in each county in the States in the Appalachian region.

Mr. SWEENEY. We have them for 1960, sir.

Mr. BALDWIN. Yes; I mean 1960.

Mr. SWEENEY. Yes.

Mr. BALDWIN. Could I ask that you submit, for the record, the list of the counties in each of the States within the Appalachian region with the per capita income for each of those counties and, also, the counties in those same States outside the Appalachian region with the per capita income of each of those counties? Could you put that in the record so we could have that available?

Mr. SWEENEY. We will try to. We have completely available the data you are asking for the Appalachian counties themselves. I don't know how long it will take us—we may have them—for the non-Appalachian counties. We will provide them if we can.

Mr. JONES. Without objection, the information will be received and printed in the record at this point.

(The data follows:)

#### NOTES ON DERIVATION OF PER CAPITA INCOME

The per capita income was calculated by dividing the aggregate income of individuals in each county by the population of the county.

The population of counties used is from the U.S. census of population, 1960.

The aggregate income is the amount received by all income recipients 14 years old and over from all income sources. It was obtained by multiplying the mean income by the number of income recipients.

Income is the sum of money received in 1959 from the following sources: Wages or salary; net income or loss from self-employment; net income or loss from rents, or receipts from roomers or boarders; royalties; interest, dividends, and periodic income from estates, trust funds, and annuities; social security benefits; pensions; veterans' payments, Armed Forces allotments for dependents, unemployment insurance, and public assistance or other governmental payments; and contributions for support from persons who are not members of the household, such as alimony. The figures represent the amount of income received before deductions for personal income taxes, social security, bond purchases, union dues, etc.

The source of this data is: U.S. Bureau of the Census. County and City Data Book, 1962 (a statistical abstract supplement). U.S. Government Printing Office, Washington, D.C., 1962.



*Per capita income all counties in Appalachian States as defined in H.R. 4*

<i>County</i>	<i>1960 per capita income</i>
<b>Alabama :</b>	
Autauga	\$961
Baldwin	1, 161
Barbour	810
*Bibb	836
*Blount	982
Bullock	669
Butler	814
*Calhoun	1, 345
*Chambers	1, 163
*Cherokee	981
*Chilton	934
Choctaw	783
Clarke	894
*Clay	887
*Cleburne	825
Coffee	1, 014
*Colbert	1, 333
Conecuh	732
*Coosa	839
Covington	1, 066
Crenshaw	671
*Cullman	922
Dale	1, 159
Dallas	971
*De Kalb	893
*Elmore	1, 016
Escambia	1, 044
*Etowah	1, 330
*Fayette	929
*Franklin	910
Geneva	852
Greene	515
Hale	563
Henry	654
Houston	1, 163
*Jackson	927
*Jefferson	1, 648
Lamar	981
Lauderdale	1, 379
*Lawrence	775
Lee	1, 226
*Limestone	986
Lowndes	519
Macon	861
*Madison	1, 636
Marengo	812
*Marion	870
*Marshall	1, 145
Mobile	1, 486
Monroe	760
Montgomery	1, 554
*Morgan	1, 373
Perry	576
Pickens	823
Pike	808
*Randolph	924
Russell	928
*St. Clair	945
*Shelby	1, 089
Sumter	599
*Talladega	1, 099
*Tallapoosa	1, 171
*Tuscaloosa	1, 256

<i>County</i>	<i>1960 per capita income</i>
<b>Alabama—Continued</b>	
*Walker	\$1, 070
Washington	846
Wilcox	534
*Winston	1, 010
<b>Georgia :</b>	
Appling	755
Atkinson	646
Bacon	837
Baker	440
Baldwin	851
*Banks	924
*Barrow	1, 174
*Bartow	1, 203
Ben Hill	1, 100
Berrien	831
Bibb	1, 593
Bleckley	933
Brantley	849
Brooks	719
Bryan	803
Bulloch	989
Burke	631
Butts	1, 003
Calhoun	681
Camden	1, 303
Candler	749
*Carroll	1, 180
*Catoosa	1, 327
Charlton	941
Chatham	1, 514
Chattahoochee	1, 768
*Chattooga	1, 103
*Cherokee	1, 087
Clarke	1, 477
Clay	879
Clayton	1, 596
Clinch	764
Cobb	1, 760
Coffee	911
Colquitt	1, 028
Columbia	968
Cook	930
Coweta	1, 211
Crawford	688
Crisp	1, 013
*Dade	1, 039
*Dawson	557
Decatur	952
De Kalb	2, 138
Dodge	910
Dooley	697
Dougherty	1, 387
*Douglas	1, 195
Early	608
Echols	1, 066
Effingham	986
Elbert	1, 009
Emanuel	954
Evans	863
*Fannin	954
Fayette	1, 098
*Floyd	1, 461

See footnote at end of table, p. 72.

*Per capita income all counties in Appalachian States as defined in H.R. 4—Con.*

County	1960 per capita income	County	1960 per capita income
Georgia—Continued		Georgia—Continued	
*Forsyth	\$986	Randolph	\$812
*Franklin	979	Richmond	1,423
Fulton	1,941	Rockdale	1,135
*Gilmer	785	Schley	921
Glascocock	749	Screven	737
Glynn	1,454	Seminole	735
*Gordon	1,092	Spalding	1,441
Grady	833	*Stephens	1,196
Greene	804	Stewart	814
*Gwinnett	1,240	Sumter	1,014
*Habersham	1,104	Talbot	702
Hall	1,327	Taliaferro	593
Hancock	601	Tattnall	695
*Haralson	1,238	Taylor	722
Harris	1,075	Telfair	768
Hart	985	Terrell	785
*Heard	750	Thomas	1,136
Henry	1,078	Tift	1,022
Houston	1,558	Toombs	950
Irwin	760	*Towns	661
Jackson	1,135	Treutlen	681
Jasper	815	Troup	1,208
Jeff Davis	897	Turner	829
Jefferson	744	Twiggs	756
Jenkins	765	*Union	768
Johnson	870	Upson	1,345
Jones	827	*Walker	1,414
Lamar	1,172	Walton	1,025
Lanier	785	Ware	1,315
Laurens	990	Warren	679
Lee	645	Washington	794
Liberty	1,035	Wayne	1,060
Lincoln	677	Webster	616
Long	774	Wheeler	749
Lowndes	1,279	*White	865
*Lumpkin	967	*Whitfield	1,401
McDuffie	1,030	Wilcox	633
McIntosh	786	Wilkes	1,004
Macon	759	Wilkinson	973
*Madison	889	Worth	659
Marion	548	Kentucky:	
Meriwether	911	*Adair	816
Miller	724	Allen	897
Mitchell	865	Anderson	1,276
Monroe	1,048	Ballard	1,086
Montgomery	796	Barren	1,095
Morgan	875	*Bath	768
*Murray	957	*Bell	792
Muscogee	1,519	Boone	1,686
Newton	1,143	Bourbon	1,320
Oconee	952	*Boyd	1,553
Oglethorpe	757	Boyle	1,270
*Paulding	1,221	Bracken	1,078
Peach	1,011	*Breathitt	516
*Pickens	1,011	Breckinridge	950
Pierce	827	Bullitt	1,272
Pike	841	Butler	730
*Polk	1,178	Caldwell	1,147
Pulaski	975	Calloway	1,240
Putnam	1,026	Campbell	1,809
Quitman	411	Carlisle	1,070
*Rabun	939	Carroll	1,253

See footnote at end of table, p. 72.



*Per capita income all counties in Appalachian States as defined in H.R. 4—Con.*

<i>County</i>	<i>1960 per capita income</i>	<i>County</i>	<i>1960 per capita income</i>
<b>Kentucky—Continued</b>		<b>Kentucky—Continued</b>	
*Carter	\$865	*Menifee	\$468
*Casey	628	Mercer	1,233
Christian	1,283	Metcalfe	717
*Clark	1,471	*Monroe	763
*Clay	530	*Montgomery	1,114
*Clinton	563	*Morgan	633
Crittenden	1,041	Muhlenberg	1,115
*Cumberland	766	Nelson	1,083
Daviess	1,530	Nicholas	1,048
Edmonson	742	Ohio	903
*Elliott	632	Oldham	1,344
*Estill	882	Owen	1,093
Fayette	1,812	Owsley	559
*Fleming	1,102	Pendleton	1,204
*Floyd	792	*Perry	858
Franklin	1,733	*Pike	820
Fulton	1,155	*Powell	749
Gallatin	1,034	*Pulaski	872
*Garrard	1,129	Robertson	819
Grant	1,265	*Rockcastle	649
Graves	1,266	*Rowan	937
Grayson	884	*Russell	722
*Green	1,156	Scott	1,301
*Greenup	1,197	Shelby	1,406
Hancock	938	Simpson	1,126
Hardin	1,534	Spencer	1,056
*Harlan	939	Taylor	1,290
Harrison	1,386	Todd	880
Hart	921	Trigg	902
Henderson	1,343	Trimble	1,176
Henry	1,092	Union	1,101
Hickman	1,037	Warren	1,275
Hopkins	1,326	Washington	895
*Jackson	656	*Wayne	612
Jefferson	1,879	Webster	1,123
Jessamine	1,174	*Whitley	813
*Johnson	810	*Wolfe	459
Kenton	1,773	Woodford	1,511
*Knott	518	<b>Maryland:</b>	
*Knox	594	*Allegany	1,616
Larue	1,063	Anne Arundel	1,854
*Laurel	803	Baltimore	2,252
*Lawrence	742	Baltimore City	1,867
*Lee	809	Calvert	1,264
*Leslie	457	Caroline	1,285
*Letcher	831	Carroll	1,535
*Lewis	839	Cecil	1,591
*Lincoln	970	Charles	1,443
Livingston	1,138	Dorchester	1,281
Logan	1,101	Frederick	1,599
Lyon	1,013	*Garrett	1,077
McCracken	1,623	Harford	1,812
*McCreary	481	Howard	1,992
McLean	1,069	Kent	1,357
*Madison	-----	Montgomery	2,948
*Magoffin	-----	Prince Georges	2,152
Marion	888	Queen Annes	1,388
Marshall	1,255	St. Marys	1,362
*Martin	588	Somerset	1,172
Mason	1,301	Talbot	1,715
Meade	1,214	*Washington	1,666

See footnote at end of table, p. 72.

*Per capita income all counties in Appalachian States as defined in H.R. 4—Con.*

<i>County</i>	<i>1960 per capita income</i>	<i>County</i>	<i>1960 per capita income</i>
<b>Maryland—Continued</b>		<b>North Carolina—Continued</b>	
Wicomico	\$1, 631	*Mitchell	\$935
Worcester	1, 306	Montgomery	978
<b>North Carolina:</b>		Moore	1, 225
Alamance	1, 599	Nash	984
*Alexander	1, 088	New Hanover	1, 422
*Alleghany	905	Northampton	671
Anson	841	Onslow	1, 173
*Ashe	759	Orange	1, 466
*Avery	833	Pamlico	812
Beaufort	833	Pasquotank	1, 171
Bertie	657	Pender	702
Bladen	727	Perquimans	763
Brunswick	789	Person	947
*Buncombe	1, 522	Pitt	886
*Burke	1, 252	*Polk	1, 316
Cabarrus	1, 453	Randolph	1, 366
*Caldwell	1, 231	Richmond	1, 122
Camden	893	Robeson	696
Carteret	1, 357	Rockingham	1, 321
Caswell	804	Rowan	1, 449
Catawba	1, 489	*Rutherford	1, 175
Chatham	1, 045	Sampson	729
*Cherokee	796	Scotland	834
Chowan	853	Stanly	1, 272
*Clay	724	*Stokes	941
Cleveland	1, 166	*Surry	1, 203
Columbus	858	*Swain	835
Craven	1, 157	*Transylvania	1, 222
Cumberland	1, 233	Tyrrell	664
Currituck	1, 060	Union	1, 097
Dare	1, 179	Vance	969
Davidson	1, 434	Wake	1, 573
*Davie	1, 255	Warren	662
Duplin	720	Washington	964
Durham	1, 616	*Watauga	799
Edgecombe	904	Wayne	963
*Forsyth	1, 774	*Wilkes	994
Franklin	765	Wilson	1, 022
Gaston	1, 393	*Yadkin	1, 140
Gates	648	*Yancey	857
*Graham	777	<b>Ohio:</b>	
Granville	846	*Adams	951
Greene	538	Allen	1, 736
Guilford	1, 789	Ashland	1, 831
Halifax	865	Ashtabula	1, 708
Harnett	912	*Athens	1, 319
*Haywood	1, 435	Auglaize	1, 577
*Henderson	1, 355	*Belmont	1, 538
Hertford	836	*Brown	1, 231
Hoke	734	Butler	1, 969
Hyde	694	Carroll	1, 438
Iredell	1, 295	Champaign	1, 548
*Jackson	956	Clark	1, 803
Johnston	826	*Clermont	1, 664
Jones	636	Clinton	1, 533
Lee	1, 280	Columbiana	1, 626
Lenoir	1, 031	Coshocton	1, 552
Lincoln	1, 145	Crawford	1, 817
*McDowell	1, 122	Cuyahoga	2, 354
*Macon	870	Darke	1, 535
*Madison	697	Defiance	1, 650
Martin	737		
Mecklenburg	1, 889		

See footnote at end of table, p. 72.



*Per capita income all counties in Appalachian States as defined in H.R. 4—Con.*

<i>County</i>	<i>1960 per capita income</i>	<i>County</i>	<i>1960 per capita income</i>
<b>Ohio—Continued</b>		<b>Ohio—Continued</b>	
Delaware	\$1, 634	*Vinton	\$1, 071
Erie	1, 926	Warren	1, 674
Fairfield	1, 705	*Washington	1, 451
Fayette	1, 453	Wayne	1, 669
Franklin	2, 100	Williams	1, 668
Fulton	1, 672	Wood	1, 846
*Gallia	1, 187	Wyandot	1, 524
Geauga	2, 081	<b>Pennsylvania :</b>	
Greene	1, 881	Adams	1, 503
*Guernsey	1, 400	*Allegheny	2, 061
Hamilton	2, 176	*Armstrong	1, 484
Hancock	1, 863	*Beaver	1, 773
Hardin	1, 417	*Bedford	1, 343
*Harrison	1, 445	Berks	1, 932
Henry	1, 575	*Blair	1, 574
*Highland	1, 279	*Bradford	1, 420
*Hocking	1, 339	Bucks	2, 003
Holmes	1, 204	*Butler	1, 710
Huron	1, 712	*Cambria	1, 412
*Jackson	1, 260	*Cameron	2, 109
*Jefferson	1, 764	*Carbon	1, 513
Knox	1, 649	*Centre	1, 527
Lake	2, 091	Chester	2, 127
*Lawrence	1, 407	*Clarion	1, 470
Licking	1, 784	*Clearfield	1, 423
Logan	1, 523	*Clinton	1, 595
Lorain	1, 825	*Columbia	1, 514
Lucas	2, 108	*Crawford	1, 552
Madison	1, 436	Cumberland	1, 971
Mahoning	1, 890	Dauphin	1, 884
Marion	1, 744	Delaware	2, 314
Medina	1, 822	*Elk	1, 715
*Meigs	1, 128	*Erie	1, 759
Mercer	1, 444	*Fayette	1, 299
Miami	1, 907	*Forest	1, 561
*Monroe	1, 244	Franklin	1, 565
Montgomery	2, 159	*Fulton	1, 132
Morgan	1, 255	*Greene	1, 319
Morrow	1, 494	*Huntingdon	1, 267
*Muskingum	1, 617	*Indiana	1, 433
*Noble	1, 184	*Jefferson	1, 453
Ottawa	1, 784	*Juaniata	1, 260
Paulding	1, 429	*Lackawanna	1, 569
*Perry	1, 292	Lancaster	1, 850
Pickaway	1, 367	*Lawrence	1, 700
*Pike	1, 084	Lebanon	1, 739
Portage	1, 787	Lehigh	2, 035
Preble	1, 508	*Luzerne	1, 525
Putnam	1, 271	*Lycoming	1, 710
Richland	1, 962	*McKean	1, 779
*Ross	1, 552	*Mercer	1, 749
Sandusky	1, 735	*Mifflin	1, 533
*Scioto	1, 449	*Monroe	1, 719
Seneca	1, 618	Montgomery	2, 812
Shelby	1, 518	*Montour	1, 315
Stark	1, 927	Northampton	1, 862
Summit	2, 115	*Northumberland	1, 479
Trumbull	1, 928	*Perry	1, 354
Tuscarawas	1, 654	Philadelphia	1, 875
Union	1, 488	*Pike	1, 638
Van Wert	1, 595	*Potter	1, 395

See footnote at end of table, p. 72.

*Per capita income all counties in Appalachian States as defined in H.R. 4—Con.*

<i>County</i>	<i>1960 per capita income</i>	<i>County</i>	<i>1960 per capita income</i>
<b>Pennsylvania—Continued</b>		<b>Tennessee :</b>	
*Schuylkill	\$1, 474	*Anderson	\$1, 682
*Snyder	1, 312	Bedford	1, 253
*Somerset	1, 265	Benton	1, 225
*Sullivan	1, 440	*Bledsoe	640
*Susquehanna	1, 418	*Blount	1, 321
*Tioga	1, 448	*Bradley	1, 305
*Union	1, 521	*Campbell	823
*Venango	1, 562	Cannon	937
*Warren	1, 755	Carroll	980
*Washington	1, 671	*Carter	1, 154
*Wayne	1, 381	Cheatham	1, 061
*Westmoreland	1, 679	Chester	836
*Wyoming	1, 427	*Claiborne	682
York	1, 834	*Clay	686
<b>South Carolina :</b>		*Cocke	855
Abbeville	1, 027	*Coffee	1, 329
Aiken	1, 370	Crockett	822
Allendale	792	*Cumberland	784
*Anderson	1, 290	Davidson	1, 771
Bamberg	799	Decatur	841
Barnwell	963	*De Kalb	835
Beaufort	1, 086	Dickson	1, 115
Berkeley	864	Dyer	1, 083
Calhoun	653	Fayette	488
Charleston	1, 359	*Fentress	602
*Cherokee	1, 051	*Franklin	1, 097
Chester	1, 036	Gibson	1, 007
Chesterfield	830	Giles	937
Clarendon	576	*Grainger	720
Colleton	755	*Greene	1, 020
Darlington	945	*Grundy	782
Dillon	687	*Hamblen	1, 330
Dorchester	902	*Hamilton	1, 669
Edgefield	826	*Hancock	516
Fairfield	772	Hardeman	651
Florence	995	Hardin	862
Georgetown	862	*Hawkins	919
*Greenville	1, 525	Haywood	641
Greenwood	1, 308	Henderson	869
Hampton	803	Henry	1, 167
Horry	967	Hickman	843
Jasper	735	Houston	834
Kershaw	1, 042	Humphreys	1, 042
Lancaster	1, 194	*Jackson	650
Laurens	1, 113	*Jefferson	1, 024
Lee	504	*Johnson	743
Lexington	1, 252	*Knox	1, 557
McCormick	695	Lake	836
Marion	781	Lauderdale	732
Marlboro	771	Lawrence	963
Newberry	1, 054	Lewis	957
*Oconee	1, 094	Lincoln	1, 049
Orangeburg	831	*Loudon	1, 179
*Pickens	1, 347	*McMinn	1, 159
Richland	1, 429	McNairy	774
Saluda	825	*Macon	820
*Spartanburg	1, 314	Madison	1, 220
Sumter	1, 001	*Marion	998
Union	1, 166	Marshall	1, 127
Williamsburg	537	Maury	1, 247
York	1, 206	*Meigs	581

See footnote at end of table, p. 72.



*Per capita income all counties in Appalachian States as defined in H.R. 4—Con.*

<i>County</i>	<i>1960 per capita income</i>	<i>County</i>	<i>1960 per capita income</i>
<b>Tennessee—Continued</b>		<b>Virginia—Continued</b>	
* Monroe	\$858	Dinwiddie	\$857
Montgomery	1, 294	Essex	1, 046
Moore	869	Fairfax	2, 280
* Morgan	699	Fauquier	1, 371
Obion	1, 150	* Floyd	956
* Overton	682	Fluvanna	969
Perry	759	Franklin	1, 080
* Pickett	677	Frederick	1, 231
* Polk	1, 069	* Giles	1, 162
* Putnam	992	Gloucester	1, 258
* Rhea	946	Goochland	978
* Roane	1, 252	* Grayson	863
Robertson	1, 097	Greene	848
Rutherford	1, 260	Greensville	867
* Scott	649	Halifax	832
* Sequatchie	845	Hanover	1, 452
* Sevier	948	Henrico	2, 241
Shelby	1, 588	Henry	1, 339
* Smith	912	* Highland	621
Stewart	892	Isle of Wight	1, 049
* Sullivan	1, 560	James City	1, 300
Sumner	1, 215	King and Queen	1, 019
Tipton	805	King George	1, 519
Trousdale	814	King William	1, 587
* Unicoi	1, 127	Lancaster	1, 308
* Union	824	* Lee	658
* Van Buren	545	Loudoun	1, 507
* Warren	996	Louisa	926
* Washington	1, 342	Lunenburg	878
Wayne	840	Madison	977
Weakley	1, 032	Mathews	1, 264
* White	835	Mecklenburg	859
Williamson	1, 187	Middlesex	1, 108
Wilson	1, 157	Montgomery	1, 306
<b>Virginia :</b>		Nansemond	988
Accomack	979	Nelson	941
Albermarle	1, 615	New Kent	1, 332
* Alleghany	1, 402	Norfolk	1, 531
Amelia	768	Northampton	943
Amherst	1, 133	Northumberland	1, 080
Appomattox	1, 093	Nottoway	1, 123
Arlington	3, 054	Orange	1, 240
Augusta	1, 285	Page	1, 156
* Bath	1, 125	Patrick	982
Bedford	1, 192	Pittsylvania	961
* Bland	836	Powhatan	1, 037
* Botetourt	1, 137	Prince Edward	1, 062
Brunswick	787	Prince George	1, 431
* Buchanan	844	Prince William	1, 555
Buckingham	735	Princess Anne	1, 660
Campbell	1, 305	* Pulaski	1, 284
Caroline	1, 100	Rappahannock	931
* Carroll	906	Richmond	941
Charles City	910	Roanoke	1, 686
Charlotte	898	Rockbridge	1, 248
Chesterfield	1, 980	Rockingham	1, 284
Clarke	1, 259	* Russell	875
* Craig	894	* Scott	852
Culpeper	1, 193	Shenandoah	1, 283
Cumberland	629	* Smyth	1, 127
* Dickenson	841	Southampton	1, 030
		Spotsylvania	1, 158

See footnote at end of table, p. 72.

*Per capita income all counties in Appalachian States as defined in H.R. 4—Con.*

<i>County</i>	<i>1960 per capita income</i>	<i>County</i>	<i>1960 per capita income</i>
<b>Virginia—Continued</b>		<b>West Virginia—Continued</b>	
Stafford.....	\$1,422	Calhoun.....	\$881
Surry.....	804	Clay.....	754
Sussex.....	725	Doddridge.....	1,004
*Tazewell.....	1,072	Fayette.....	1,134
Warren.....	1,501	Gilmer.....	870
*Washington.....	972	Grant.....	843
Westmoreland.....	996	Greenbrier.....	1,103
*Wise.....	987	Hampshire.....	940
*Wythe.....	1,001	Hancock.....	2,019
York.....	1,575	Hardy.....	859
<b>Independent cities:</b>		Harrison.....	1,554
Alexandria.....	2,505	Jackson.....	1,348
*Bristol.....	1,458	Jefferson.....	1,393
*Buena Vista.....	1,270	Kanawha.....	1,771
Charlottesville.....	2,005	Lewis.....	1,065
*Clifton Forge.....	1,708	Lincoln.....	740
Colonial Heights.....	2,086	Logan.....	1,202
*Covington.....	1,808	McDowell.....	1,051
Danville.....	1,632	Marion.....	1,617
Falls Church.....	2,551	Marshall.....	1,472
Fredericksburg.....	1,686	Mason.....	1,227
*Galax.....	1,713	Mercer.....	1,305
Hampton.....	1,804	Mineral.....	1,297
Harrisonburg.....	1,762	Mingo.....	931
Hopewell.....	1,621	Monongalia.....	1,474
Lynchburg.....	1,843	Monroe.....	863
Martinsville.....	1,915	Morgan.....	1,074
Newport News.....	1,777	Nicholas.....	984
Norfolk.....	1,719	Ohio.....	1,943
*Norton.....	1,396	Pendleton.....	741
Petersburg.....	1,469	Pleasants.....	1,263
Portsmouth.....	1,490	Pocahontas.....	987
*Radford.....	1,494	Preston.....	991
Richmond.....	1,932	Putnam.....	1,273
Roanoke.....	1,781	Raleigh.....	1,131
South Boston.....	1,339	Randolph.....	1,063
South Norfolk.....	1,361	Ritchie.....	1,195
Staunton.....	1,709	Roane.....	954
Suffolk.....	1,745	Summers.....	895
Virginia Beach.....	2,225	Taylor.....	1,066
Waynesboro.....	1,975	Tucker.....	1,032
Williamsburg.....	1,756	Tyler.....	1,297
Winchester.....	1,787	Upshur.....	1,039
<b>*West Virginia:<sup>1</sup></b>		Wayne.....	1,155
Barbour.....	905	Webster.....	802
Berkeley.....	1,480	Wetzel.....	1,551
Boone.....	1,043	Wirt.....	911
Braxton.....	924	Wood.....	1,723
Brooke.....	1,762	Wyoming.....	1,120
Cabell.....	1,784		

<sup>1</sup> All counties in West Virginia are in the region as defined in H.R. 4.

\*Indicates counties in region as defined in H.R. 4.

Mr. JONES. Mr. Cramer.

Mr. CRAMER. Do I understand that you are relying on 1960 figures in determining what are need areas?

Mr. SWEENEY. The problem is that most of the surveys made by any kind of data gathering units of the Federal Government or the States are done on a sample basis. The only place we can get a county by county picture of every problem we are confronted with is the 1960 census. That is the only one; the rest are samples, and we can never



estimate when they give us a State figure what portion of that represents the Appalachia section.

Mr. CRAMER. So you are relying on 1960 figures?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. I did not quite understand the budget request that may be made. What is in the 1966 budget proper for this program submitted by the President recently to Congress?

Mr. SWEENEY. The President has asked for \$365 million new obligation authority, and he estimates that approximately \$110 million of that will be expended between now and July 1 of 1966.

Mr. CRAMER. Of 1966?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. Then you have \$265 million to be expended after July 1 of 1966?

Mr. SWEENEY. No, sir; \$365 million is effectively 15 months of new obligation authority, assuming Congress passes the appropriation bill by the first of April.

Mr. CRAMER. Then I understand the total \$365 million will be expendable up to July 1, 1966; up to July 1 of 1965 you expect to spend \$100 million.

Mr. SWEENEY. No, sir. The Commission would be permitted to make recommendations to the agencies which would allow them to contract for \$365 million worth of work. They estimate that only \$107 million would be spent out of that \$365 million in the 15-month period.

Mr. CRAMER. So in the present expenditure side of the budget, how much is contained?

Mr. SWEENEY. \$110 million.

Mr. CRAMER. But obligational authority is for \$365 million?

Mr. SWEENEY. That is correct, sir.

Mr. CRAMER. How would you get the money between now and July 1 of 1965?

Mr. SWEENEY. We would not get it until the Congress passed a supplemental appropriation.

Mr. CRAMER. A supplemental for fiscal 1965?

Mr. SWEENEY. As I tried to explain to Mr. Baldwin—

Mr. CRAMER. That is why I did not understand it.

Mr. SWEENEY. I am not certain what route the President will take, but one of the routes he may take will be to come up with a supplemental bill that would cover the remaining months in 1965 and all of 1966, and that could conceivably total \$365 million NOA.

Mr. CRAMER. \$110 million of annual expenditures?

Mr. SWEENEY. I don't believe that ever appears any place in a bill.

Mr. CRAMER. And that request would be made before July 1, 1965?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. When the fiscal 1966 budget would go into effect?

Mr. SWEENEY. Yes, sir.

Mr. CRAMER. This is a very interesting operation.

Mr. SWEENEY. I believe it is the standard method; I believe it is common practice.

Mr. WRIGHT. I sympathize with the point of view taken by the gentleman from California, but, as a practical matter, I can surely understand how it would be very difficult to inhibit the operation of this regional program developed on a regional concept by not allowing

any money to be spent or invested in a center which might be relatively more prosperous than a surrounding area.

I think any law that we pass, or any appropriation is to one degree or another going to be somewhat discriminatory and it has been that way since the beginning.

In the Northwest Land Ordinance of 1785 relatively depressed people on the eastern seaboard were called upon to share their bounty with the people northwest of the Ohio River and again in the ordinance of 1787.

In 1848, Abraham Lincoln, then a Member of Congress from Illinois, made a speech on the floor of the House in which he defended against this very contention which had been lodged in a Presidential veto, pointing out that the development of the Ohio and Illinois Canal was not necessarily discriminatory, although the money was spent in one region and taken from another region, since it permitted the sugar merchants in Louisiana to sell their sugar a little dearer, and the housewife in New York State to sugar her coffee a little cheaper.

The Bureau of Reclamation program affects 17 States and all the rest of us over the country, prosperous and poverty-stricken, including those in Appalachia, pay for that program.

The TVA program is, and has been from its inception, a regional concept, as have been all our waterway developments, including the St. Lawrence Seaway, and I might say, the cross-Florida barge canal, as well as some of those in Texas, and more which we hope you will do for us in Texas.

The APW, the ARA, the Great Plains conservation, have taken money from taxpayers living in depressed parts of the country to benefit a region.

When you take the overall balance, and you look at this Appalachia region, you discover that historically it has not been as well favored by the Federal appropriations as the country as a whole.

Whereas eight and a half percent of the people of the Nation live in Appalachia, it has been favored by only 4.9 percent of the Federal dollar investment, so that I don't think we could say we are treating them to a favored spot, but rather seeking to balance an historical imbalance, and we will never get it all in balance.

We have just got to do the best we can.

Mr. CRAMER. May I just follow up?

Mr. JONES. Yes.

Mr. CRAMER. How much of this \$365 million is going to be for highways?

Mr. SWEENEY. I have not seen what the President's appropriation bill would be. I am not trying to duck the question, Mr. Cramer. We estimated that approximately \$90 million could be spent in the first 12 months of obligation authority. The contracts could be let for \$90 million.

Mr. CRAMER. What do you contemplate asking for the balance of this 2-year authorization, which would be fiscal 1967?

Mr. SWEENEY. Again, I don't know, because I think that would depend on how fast the States can gear up to actually contract for these highway funds.

Mr. CRAMER. Outside of highways?



Mr. SWEENEY. Outside of highways, if you were to subtract, let us say, \$130 million from the \$365 million, you would have \$235 million that would be spent to finance both the rest of this program and the supplemental activities which I discussed at the end of my prepared statement.

I think that the determinant factor—and again the reason we can't estimate is how much would we of necessity be asked for outside of this authorization. Obviously, if the \$235 million were spent entirely to fund what is in this bill, this would only be \$17 million in addition—

Mr. CRAMER. We can expect you to come back for additional authorizations after the 2-year period, however?

Mr. SWEENEY. Yes, sir.

Mr. JONES. Mr. Sweeney, would you like to ask Mr. Sweeney a question?

Mr. SWEENEY (Congressman). I might say, Mr. Chairman, it is with a great deal of family pride that I waive at this time and express to you my appreciation, Mr. Sweeney, for your courtesy and for your explanation of the needs of Appalachia.

Mr. JONES. Mr. Cleveland.

Mr. CLEVELAND. I have a number of questions for you, Mr. Sweeney, but first there is one thing I would like to add.

There are three counties in my State in northern New Hampshire which the Federal Government has informed us are depressed, and I would like to tell you in these counties in New Hampshire the hills are a lot higher than in Appalachia, also more beautiful. The valleys are a great deal deeper, and the roads are just as expensive to build, and I consider it is highly unfair, as Mr. Baldwin has pointed out, for the tax dollars of New Hampshire citizens to go to the National Treasury for assistance to counties, some of which are infinitely better situated than in northern New England, which the Federal Government has taken such pains to inform us are disadvantaged by a high rate of unemployment and rural decline.

Mr. JONES. The pains of poverty are always growing, aren't they?

Mr. CLEVELAND. The thing I would like to ask you about, Mr. Sweeney, is this: I notice that you lay great stress on the fact that this newly drafted Appalachia bill confines itself to areas that have, in your language, when you first submitted this to Congress: "The greatest potential," but as the Senate stated later, "a significant potential for growth."

This, as I understand your testimony, is an important change in the concept that you are asking us to approve; is that correct?

Mr. SWEENEY. Yes.

Mr. CLEVELAND. I was interested in your remarks. You spoke about some of these smaller communities in Appalachia as ribbon villages stretched out along stream valleys and river valleys, and I gather from what you said it would be hopelessly expensive if we were to try to refurbish or rehabilitate all those ribbon villages, and the approach appears to be to put the money in the larger areas and to hope the people would move from the ribbon areas into the larger areas.

Is this a true statement of the concept embodied in this legislation?

Mr. SWEENEY. Either move into these areas that will grow or

commute to them. But we believe it is for the people to choose whether to live in these areas or commute. But in an effort to attract jobs, we do not try to attract jobs to each little community, but to those communities where they will stand the best chance of surviving, and then the people can, if they choose, move to them or commute.

Mr. CLEVELAND. Is it accurate to say you turn your back on the hope and thought that was once expressed that each of these rural communities could be strengthened as a place where people could live and be gainfully employed, and you have now turned to having them move or commute to an urban area?

Mr. SWEENEY. The first was not my expression, sir. But we have not turned our backs. We have held this view all along. I think the history of the economic development of the United States is indicative of what we are trying to say, that we are recognizing an historical process, that you do not have a chance of attracting substantial economic growth in terms of industrial and commercial employment—

Mr. CLEVELAND. Perhaps I am wrong; perhaps it was not you, Mr. Sweeney, but there are Federal programs and certainly the rural area development programs which have worked in conjunction with ARA, have laid great stress on the importance of rural living to the Nation, and we have been asked to enact programs to encourage and foster living in rural areas.

That is a concept that no longer fits into the picture?

Mr. SWEENEY. No, sir. We strongly accept the idea of rural development in terms of social and cultural growth; no question about that. We believe that the rural area program is doing a great job with it. We also believe that in parts of rural Appalachia substantial economic growth can occur, but not in every part.

It might if you had enough funds to do it. If we could come to the Congress and ask you to enact the Isaiahian admonition to begat everything there, it might be possible.

Mr. CLEVELAND. The intent now of the Appalachian concept is to take areas or regions of strength and strengthen those and hope thereby to strengthen the surrounding areas?

Mr. SWEENEY. Based on the judgments of the local people, yes, sir. It will not be a federally imposed determination as to what is a growth area.

Mr. CLEVELAND. It would be misleading for the general public then to think that the whole Appalachian region is going to be revitalized; really it is going to be Balkanized into regions within a region, and some of these regions will be strengthened? Is this a correct understanding?

Mr. SWEENEY. In terms of land mass, I would say that is correct. I think that this program, however, will strengthen the economic vitality of all the people of Appalachia, but not particularly in that exact location in which they presently live.

Mr. CLEVELAND. Did I understand you to say, in answering Mr. Baldwin's question, that you would have to oppose an amendment that sought to remove some of these favored counties—specifically the two counties mentioned; the one in South Carolina and the one in Alabama—you would have to oppose such—



Mr. SWEENEY. I would certainly urge its opposition, yes, sir.

Mr. JONES. If you don't, I will.

Mr. CRAMER. That is the gentleman from Alabama.

Mr. CLEVELAND. I would like to ask you a slightly philosophical question. As I studied this bill which we have before us, I noticed one of its particular features that you referred to, which is the section that gives these areas a direct grant so they can use this direct grant to match Federal funds available under other programs; I believe you referred to this yesterday as sort of the glue of the whole program.

Mr. SWEENEY. As modified by Mr. Cramer.

Mr. CLEVELAND. Remembering and recalling that many of these programs which we have passed, such as the Vocational Training Act, the Manpower Development and Training Act, the Economic Opportunities Act, to mention a few, were passed in hopes that this Federal legislation would do something for the less fortunate people in this country, is not this concept of yours a confession of failure on the part of these previously existing Federal programs?

Is this not a failure, insofar as these previously existing Federal programs have failed in this particular area with which you are directly concerned? They are not doing the job there, are they?

Mr. SWEENEY. Mr. Cleveland, I would not subscribe to what you have said. I don't think it has been a failure at all. I think it has not been enough. I think in the ARA program, which does restrict the spending of dollars to the extremely depressed communities and counties in the Appalachia region, because there has just been really what amounts to a token amount to provide some public facilities and some credit for these depressed communities, this has not been sufficient.

There has been no effort made to concentrate these funds where they can advantage more than just the surrounding areas, even though ARA has taken that into consideration in many cases.

I think the fact the administration has cited their determination to bring in a regional section in the ARA bill is indicative of the fact that a number of communities in the country are moving toward that concept that we hope to espouse in this bill. So I don't think it is a question of failure; I think it is a question that it is not enough as it presently exists.

Mr. CLEVELAND. Let me be more precise in my question. I notice on page 34 of the act that the \$90 million you are making available for communities to use to match funds with other Federal programs so they can get the Federal programs working in their area, goes for such programs as those under the Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; Public Health Service Act; Vocational Education Act; Library Services Act; Federal Airport Act; Communications Act; Higher Education Facilities Act; Land and Water Conservation Fund Act; and others.

This is including but not limited to these. Certainly those programs cannot be doing the job in this area, otherwise you would not feel it is necessary to have additional bait money to get the communities to put up the matching funds to get these programs working in these areas.

So to that extent, these Federal programs have failed in this area, have they not?

Mr. SWEENEY. Failed, no. I think the problem is, No. 1, they are not adequately funded and, No. 2, the formula within them is such that many Appalachian areas cannot possibly take advantage of them. That is the reason we believe these programs are absolutely essential, and their continued existence in the region can do much to improve it. But the fact the local communities are too poor to take advantage, is what we are trying to overcome.

Mr. CLEVELAND. What you are saying—and believe me I supported most of those Federal programs—is that we have these Federal programs; we subscribe to them, but because of their terms, areas in Appalachia cannot take advantage of them because they haven't got the funds to do it; is that what you are saying?

Mr. SWEENEY. Yes.

Mr. CLEVELAND. Can this not be said of many other areas of the United States, however?

Mr. SWEENEY. Yes, sir.

Mr. CLEVELAND. Now is it fair to give those communities, including several of these very wealthy counties, an extra shot in the arm so they can take advantage of these national programs when there are other counties in the Nation designated under the ARA and the APW which are not getting the same treatment?

We have already discussed the unfairness of giving access roads to Appalachia and not giving access roads to the Ozarks, the Great Lakes region, or northern New England. Here again, is this not basically unfair? If these Federal programs are not working in these Appalachian counties, is it not just as true they may not be working in some of the other areas of this country, and, if so, should not the thrust of this approach be to amend the basic national acts so any disadvantaged county can have better chance of getting the benefits of Federal programs by having to put up less contribution as matching funds?

Mr. SWEENEY. Mr. Cleveland, I think the Senate debate—and I am sure it will be mirrored in the House—has expressed the interest of other regions in achieving similar advantages. I think the Appalachian program, however, has two reasons for its existence and overwhelming passage by the Senate.

I might add, based on the announced preference had those Senators not present, been present, that vote would have been 74 to 26.

The reason I believe is the recognition by the Senate—and I hope by the House—this is the largest and most long-lived area of depression in the United States. It has been in this condition for better than a hundred years, and it is going to take a long time for it to get out.

It contains 16 million people, and I think that is the reason why the Senate was more than willing to see this begun, and I think that their debate indicated that perhaps it may be a pilot program which will eventually be extended to other areas of the country such as you describe.

Mr. CLEVELAND. I appreciate your remarks, but these remarks coming as I do from a small region these remarks are ominous, because they indicate it is going to be only the big regions which are going to get a break under this treatment.



Mr. SWEENEY. I don't believe that is true. I think the regions outlined in the Senate debate certainly include your area. I do know it is under consideration, by the Senators from that region at least.

Mr. JONES. Mr. Kee.

Mr. KEE. Mr. Chairman, I would like to highly commend Mr. Sweeney for his excellent presentation here today, which clearly reveals his intimate knowledge gained by his study and experience in the Appalachian region.

In essence all this legislation does is ask the Congress to do what the Congress has always done, legislate for the general welfare.

One point has been mentioned. I would like to state that I am personally delighted with my experience with the proposed power of the chairman of this Commission in order that the chairman will have the authority to insure the maximum value for every Federal dollar invested, and for that you are to be highly commended.

Mr. JONES. I take it West Virginia will not dissent?

Mr. KEE. No.

Mr. CRAMER. West Virginia is 100 percent in this bill.

Mr. JONES. Thank you very much, Mr. Sweeney. You made an excellent witness. You were very considerate of the committee, and certainly your knowledge of the bill and what it seeks to accomplish are very obvious.

Mr. CRAMER. I do want to compliment the gentleman for the presentation of his point of view. He did a very fine job.

Mr. JONES. Yesterday we had two questions raised. Mr. Cleveland, you raised the question about the structure of the bill dealing with the forest management question.

We have Mr. Fred Ritchie of the Department of Agriculture here, and I am sure he will be anxious to answer the questions.

Mr. Ritchie, I wonder if it would be convenient to come back at 2 o'clock. We will also hear Mr. Bridwell of the Department of Commerce.

The committee will be in recess until 2 p.m.

(Whereupon, at 12:25 p.m., the committee recessed, to reconvene at 2 p.m. the same day.)

#### AFTERNOON SESSION

Mr. JONES. The ad hoc committee will be in order.

We were supposed to start with Mr. Ritchie, but Mr. Ritchie is not here, and Mr. Cramer had some questions about the road program, so Mr. Lowell K. Bridwell, of the Department of Commerce, Bureau of Public Roads, is here to answer them.

#### STATEMENT OF LOWELL K. BRIDWELL, DEPUTY UNDER SECRETARY OF COMMERCE FOR TRANSPORTATION; ACCOMPANIED BY STEDMAN T. HITCHCOCK, DEPUTY DIRECTOR, OFFICE OF PLANNING, BUREAU OF PUBLIC ROADS

Mr. JONES. Mr. Bridwell, will you identify yourself for the record and also identify your associate that you have with you?

Mr. BRIDWELL. Yes, sir.

Mr. Chairman, my name is Lowell K. Bridwell. I am a Deputy Under Secretary of Commerce for Transportation, and I am appear-

ing here today as the Commerce Department representative to the Federal Development Planning Committee for Appalachia.

I have with me Mr. S. T. Hitchcock, the Deputy Director of the Office of Planning, Bureau of Public Roads, who was designated by the Highway Administrator, Rex M. Whitton, to accompany me to the hearing.

Mr. JONES. Mr. Cramer asked you to appear for the purpose of questioning.

Mr. Cramer.

Mr. CRAMER. I wanted to get some information for the record in regard to the highway section, which is the largest portion of this entire package, approximately three-quarters of it, as a matter of fact.

Let me first ask you, is it true that in the past your highway systems have been authorized on a nationwide basis with all States participating?

Mr. BRIDWELL. Yes, sir; except for defense access roads, that is true.

Mr. CRAMER. Therefore, this is a departure from the general concept that if you create a system of Federal-aid highways, there should be a formula available to all States on an allocation basis?

Mr. BRIDWELL. Yes. This is the first time that a regional concept has been applied to a Federal-aid highway program. Of course, we have forest highways and public lands highways that to a certain degree have been regional in character, but as a regional concept you are quite accurate, Mr. Cramer, that this is the first time that such a program has been developed and proposed.

Mr. CRAMER. It is a further departure, is it not, from the standpoint that the justification of this system is not necessarily based upon the standard presently used, and that is the estimated traffic or the traffic actually using the facility and expected to use it in the future as being the basic justification for building a highway?

This is on the basis of anticipated industrial or other economic development; is that right?

Mr. JONES. Let me interrupt; what system are you talking about? The Secretary has never used the general formula of justification by population or traffic index. What do you mean, Mr. Cramer?

Mr. CRAMER. The development highways which are supposed to be constructed to primary standards, are they not?

Mr. BRIDWELL. Yes, sir.

Mr. CRAMER. In the present primary highway system, in determining mileage, it is dependent upon traffic use to a large extent, is it not?

Mr. BRIDWELL. Not in determining the mileage; no, sir. In determining the design, type of construction, and so forth, that would be true.

Mr. CRAMER. In determining the necessity for it, it is based on the traffic justifying the construction of a highway?

Mr. CLARK. Or anticipated traffic.

Mr. BRIDWELL. Yes; I think this criteria is altered. I would certainly agree with you, Mr. Cramer, it is altered criteria. I don't believe I could agree with you that it is a departure in the sense of a radical departure.

Mr. CRAMER. Would you explain what you understand the purpose of the amendment to be relating to access highways as compared to the



bill voted last year by this committee? I am obviously referring to the language on page 13, beginning at the bottom of the page through lines 6 to 14 on page 14.

Mr. BRIDWELL. Mr. Cramer, I am sure you will recall from the hearings last year there was considerable discussion as to what constituted an access road, and we tried to explain at that time that what we had in mind from the very beginning of this Appalachian planning activity was to provide access roads relatively short in nature that would connect the development system, or another primary highway—this would include interstate—with a specific facility or development that required good highway access.

Mr. CRAMER. What is the effect of the amendment then? What is the change in language? What is accomplished, comparing what was in the House bill last session and the Senate bill in this session, as it relates to these access roads?

Mr. BRIDWELL. The principal effect of the amendment is to increase from 500 to a thousand miles the amount of mileage authorized for access roads.

Mr. CRAMER. It also has the effect, does it not, of removing the access roads from the "highway system"?

Mr. BRIDWELL. The access roads were never thought of as being a part of the development system, Mr. Cramer, or development road system.

Mr. JONES. Mr. Bridwell, that is not right.

Mr. BRIDWELL. Mr. Jones, I don't believe there is any disagreement; I believe it is only my inability to define so far what I mean by the development system.

The development system, or the development roads, is a connecting system——

Mr. JONES. Why do you use the word "development"? Why does that word apply to this type of roads?

Mr. BRIDWELL. Development in the sense, Mr. Chairman, of providing new or superior access to specific parts of the Appalachian region to aid in their economic development.

Mr. JONES. Why should they be characterized in such a fashion so they become different from the rest of the road program? What criteria would you employ in their construction?

Mr. BRIDWELL. The principal factor that went into the selection of a development system was to provide either new or higher quality access than that which now exists, or which likely would exist under the regular Federal aid highway program in the near future.

Mr. JONES. Mr. Cramer.

Mr. CRAMER. As I read the draftsmanship of last year's bill, there was included in the highway system the following:

Development highway system: not to exceed 3,350 miles in length, of which total not to exceed 1,000 miles, which shall be local access roads which shall serve the specific purpose.

In reading that it appears access roads were a part of the highway system. Now you have changed the language and it appears to me the effect is to take access roads out of the highway system.

Mr. BRIDWELL. Mr. Cramer, the development system, as we have testified last year, and as we testify again this year, consists of a connecting system of highways, and a system which is interconnected

with the Interstate System. These are continuous through routes.

The access roads—and I am being consistent with my testimony last year—are short segments of routes to connect specific facilities or developments, and which may or may not connect directly with the development system as we have defined it.

Mr. CRAMER. But it could connect with an interstate road and still be an access road?

Mr. BRIDWELL. Yes; or it could connect with an existing primary or secondary road, but the access road alone, yes, sir; and that is consistent with our testimony last year.

Mr. CRAMER. The basic reason why I asked the question is to, No. 1, try to see what the amendment does, and I still don't have a clear picture as to what changes were made of the mileage and, No. 2, to see what the result of that amendment is, whether intended or otherwise. All we can do is read the bill and see what the bill says.

It appears that you are requiring certain standards for your development highways, primary standards, by virtue of lines 10 to 13 on page 15:

Upon completion each individual highway shall be added to such estimates and shall be required to be maintained by the State.

That is the effect of that, is it not? Beyond the system they have to be upped to the primary and be maintained?

Mr. BRIDWELL. That is correct.

Mr. CRAMER. So the effect is the primary standards must be observed as they relate to the development highways?

Mr. BRIDWELL. The development highway system; yes, sir.

Mr. CRAMER. So you did not want access roads to be subject to that, so you took them out of the development highway system, and you put them in a separate category where there is no requirement relating to minimum standards under the draftsmanship of this record?

Mr. BRIDWELL. Your point is well taken, Mr. Cramer; it does have that effect.

Going back to last year, we stated—and I think Mr. Sweeney stated here this morning—that because we are not able to say to you today where these access roads will be, and precisely what they will serve, we have maintained the position, and still do, that there must be some flexibility in the location and design. This is particularly true in the design of access roads, because very high quality access roads may be needed for certain types of commercial or industrial development, whereas a much lower design criterion, or less expensive design criterion, can be used for certain other types of access roads; for example, forestry-type treatment or recreational-type development.

Mr. JONES. You are following the same pattern that has been historically followed in the road development program.

Mr. BRIDWELL. Yes, that is correct, Mr. Chairman. Had it been left as it was last year, under a very specific or technical interpretation of the language, we would also have been required to build—

Mr. JONES I would like to remind you of this fact, when I first came on this committee we were appropriating—I think, Mr. Baldwin, around \$5 million a year for roads and trails, and for timber access roads. What was the last figure that we approved?



Mr. BALDWIN. \$70 million.

Mr. JONES. About \$70 million.

We do not try to determine the standards of those roads because they were quite unique in serving the timber areas. You are going to be confronted with the same thing here.

Mr. CLEVELAND. Will the gentleman yield?

Mr. JONES. Yes.

Mr. CLEVELAND. I just wanted a point of information. Is not that \$70 million for roads in national forests owned by the United States?

Mr. JONES. No. For instance, here is the last Federal Aid Highway Act, Mr. Cleveland. We had for forest highways, \$33 million; we had for forest development roads and trails, \$85 million.

Mr. CLEVELAND. Were these national forest lands?

Mr. SULLIVAN. These are the national forests, Mr. Cleveland.

Mr. JONES. We have bills pending before the committee where reimbursements to these roads are possible.

Mr. CRAMER. As I understand, that is in disaster areas where they are destroyed by disasters.

Mr. JONES. Yes. The point I am making, Mr. Cramer, is that you do not have to have the criteria set up for the Department of Interior, the Department of Agriculture, as to what quality of roads would be needed. It should not be necessary to be so exacting, or to build a superhighway to get some timber from an area that would never be inhabited.

Mr. SULLIVAN. Mr. Chairman, may I be heard in this connection?

Mr. JONES. Yes.

Mr. SULLIVAN. The staff checked to see why the Senate did what it did, and the Senate did put this change in the language in, as Mr. Cramer correctly points out. The Senate staff advised the staff of this committee that the reason for this is to make a clear distinction between the 2,350 miles of primary roads and the 1,000 miles of access roads.

That was the intent of the Public Works Committee of the Senate. That is the reason for this amendment.

Mr. JONES. The point I wanted to make, Mr. Cramer, was the fact that I do not think the Bureau of Public Roads should be exacting in such a degree to make quality control on access roads applicable as they would in the ABC systems of qualification.

Mr. CRAMER. The point I am making, Mr. Chairman, is to try to find out what the effect of the amendment is. I think it has been established it takes access roads out from under the system.

Secondly, by handling it in this manner, it does not make access roads in the future a part of any system, and the further effect of it is therefore there is no standard of construction criteria for access roads.

They are not comparable, in my opinion, to the roads that you mentioned, forest highway development and so forth. These are constructed by the Federal Government. They have their standards for those highways. Now we are talking about the States building highway access—this is what I am concerned about—without the Congress indicating what standards it thinks should be established, if any. The way it is now, there are no standards.

Mr. JONES. I do not think that should be an exacting thing for Congress to do. What good would it do for me to sit up here and tell the highway engineer what he should do and what he should not do and

how he is to select materials? We are here to serve the legislative functions. The engineering considerations will be observed under the direction of the State highway departments.

I think that the Bureau of Public Roads and Department of Commerce will insist and demand that we get reasonable standards. I do not think for one moment that the States, after they assume the responsibility for these highways, are going to pay the maintenance costs of them and ask for inferior roads that will impose a great burden on them in years to come.

Mr. CRAMER. Mr. Chairman, you struck at exactly the point I am coming to, maintenance. If these access roads become no part of any system, if there is no standard with regard to their construction, in particular if they become no part of any system, there is no obligation on the part of the State to maintain them.

Is that not correct?

Mr. BRIDWELL. We believe the committee may wish to consider clarifying language. We believe that this is covered under section 116 of title 23, Mr. Cramer, or easily could be made to come under section 116, which is the maintenance provision of title 23.

Of course, you will note on page 14, starting on line 11, and continuing for the rest of the paragraph:

"The provisions of title 23, U.S. Code," et cetera, "shall apply," and then the words are added "and the local access roads". So that we think through title 23, section 116 on maintenance, that is covered.

Mr. CRAMER. By adding to it "and access roads"?

Mr. BRIDWELL. The words "and the local access roads" were added by the Senate.

Mr. CRAMER. Where does that language appear, "local access roads"?

Mr. BRIDWELL. It appears in my copy of the printed bill of S. 3, Mr. Cramer.

Mr. CRAMER. Are you referring to line 15, page 14?

Mr. BRIDWELL. Yes. Page 14, lines 15 and 16.

Mr. CRAMER. Then what happens to the Secretary determining that is inconsistent with that act, which is also the language of the Senate?

Mr. BRIDWELL (reading):

and which the Secretary determines are not inconsistent with this Act.

That is a negative finding on his part, so if he does not find negatively, then section 116 is applicable, in our opinion.

Mr. CRAMER. Then why did you not include the access roads in your specific requirement of maintenance on page 15, lines 12 and 13?

It says:

Each development highway not already on the Federal aid primary system shall be added to such system and shall be required to be maintained by the State.

Mr. BRIDWELL. Once again I say your point is well taken—I will not argue that this does not need some clarification, and that the committee may wish to consider this.

We think that it is covered, but if it is open to debate, the committee may want to consider whether it needs clarification.

Mr. CRAMER. You would not object to adding "local access roads" to the section requiring maintenance?



Mr. BRIDWELL. I think without any question, Mr. Cramer, the position of the executive branch has always been where Federal money is expended on highways, maintenance of those highways shall be required.

Mr. CRAMER. The problem we have, section 116 provides:

The State's obligation to the United States to maintain any such project shall cease when it no longer constitutes a part of a Federal aid system.

Mr. BRIDWELL. Yes, sir. Please go on to paragraph (b), Mr. Cramer, of section 116.

Mr. CRAMER (reading):

In any State wherein the highway department is without legal authority to maintain a project constructed on the Federal aid secondary system, or within a municipality, such highway department shall enter into a formal agreement for its maintenance with the appropriate official of the county or municipality.

This is not within the secondary system. It is not within a municipality.

Mr. BRIDWELL. Then, in other words, paragraphs (a), (b), and (c) are at least an attempt to cover all eventualities, and I quote from paragraph (c):

If at any time the Secretary shall find that any project constructed under the provisions of this chapter, or constructed under the provisions of prior acts, is not being properly maintained, he shall call such fact to the attention of the State highway department.

Once again, I think it is up to the committee to decide whether this is amply protected, or whether it wishes any clarification.

Mr. CRAMER. I think it is perfectly obvious if it is not included for maintenance an access road does not have to be maintained, as I read the basic law. I think it is obvious when you leave maintenance out as it relates to access roads, you so intend it.

If you want them maintained, the language should so provide on line 13, page 14.

Mr. BRIDWELL. I repeat my statement that the administration has always taken the position where Federal money is expended on highways, maintenance of those highways shall be required.

Mr. Chairman, if there is any clarification needed, it results from a change which was made in the legislation by the Senate earlier this week.

Mr. Chairman, we are not asking for clarifying language. I have attempted to tell the committee we believe it is amply covered. I have said if the committee desires, or if the committee——

Mr. JONES. What do you recommend?

Mr. BRIDWELL. I believe that the maintenance requirement, the point that Mr. Cramer raised, is covered under section 116. That is our opinion.

Mr. JONES. But you have some doubts about it. You just expressed them.

Mr. CRAMER. I think a reading of the language would result in doubt in anybody's mind, Mr. Chairman, the language in section 116. It certainly raises one in mine.

Mr. JONES. Go ahead, Mr. Cramer.

Mr. CRAMER. I do hope, in an effort to try to understand what the bill does say, and what improvements might be made on it, there is

not going to be any suggestion an amendment should not be made by the committee if it is justified, based on the testimony we have received.

My objective was to find out why a thousand miles of access roads do not require State maintenance.

I think that is a serious shortcoming, and the only way I know of providing for this is to include this in the language.

I don't believe Mr. Sweeney considered himself to be an authority on highways, but do you agree with his statement that the estimated cost of the thousand miles, after reconsideration, is the same as the estimated 500 miles when this was submitted last year?

Mr. BRIDWELL. Mr. Cramer, last year when we estimated the cost of the 500 miles, we said to the committee quite specifically, because we didn't know the precise location or the design, the requirements for the access roads—we put them in at a flat \$100,000 per mile. Based upon an analysis of what has actually occurred in several States under the secondary highway program, we believe we can shave a little bit off that \$100,000.

There is also the opportunity here for stage construction, which is clearly possible and feasible under title 23, and these access roads in varying stages can be provided within that amount of money.

Mr. CRAMER. Then you say now that a thousand miles of access roads would cost \$50,000, whereas last year it was thought it would be \$100,000. Therefore, no extra money is needed for this section relating to the development and access highways, and you base that on further experience in secondary road construction.

But, as a matter of fact, you do not know where these roads are going to be, do you?

Mr. BRIDWELL. That is correct, we do not, and we have so stated.

Mr. CRAMER. How can you really make an honest estimate? It is just a guess, is it not?

Mr. BRIDWELL. Certainly, it is.

Mr. CRAMER. Do you have the breakdown of proposed allocations of that thousand miles to the different States involved in the 11 States?

Mr. BRIDWELL. No, sir, no such allocation has been attempted.

Mr. CRAMER. Have the States been asked to submit estimates of what access mileage they may need in order to carry out the purpose of this proposed legislation?

Mr. BRIDWELL. They have been asked to devote attention to that. The key to it, Mr. Cramer, is the other portion of the Appalachian development program, the location of commercial, industrial, recreational facilities that are yet to be developed under the terms of the act.

When there is more knowledge on the specific location of these, then we will be able to define where the access roads should go.

Mr. CRAMER. So this too is a departure from the usual procedure where States or areas get certain allocated mileage based upon certain fixed factors; they know in advance approximately what mileage they are going to get as a result of the contribution they make, so as a matter of fact, there is nothing to keep some States from getting most of this mileage, and other States getting very little mileage?

Mr. BRIDWELL. There certainly is, Mr. Cramer; the fact that all the States sit on the Commission is ample guarantee, I would say, that no State is going to get it all.



Mr. CRAMER. There is nothing in the act, however, as in the case of most other highway legislation, that would permit a maximum of a certain percentage to go to any one State. There is no such provision here, as there is in other highway legislation; is there?

Mr. BRIDWELL. The act does not contain a specific formula for the access road mileage.

Mr. CRAMER. So, in effect, six of your States can outvote the other four States, and the other four States get the short end; and that is justice?

Mr. BRIDWELL. Well, I would think that the Federal representative would make every effort to make certain that the States were equitably treated.

Mr. CRAMER. With regard to the development highways, is there a breakdown with regard to mileage concerning those?

Mr. BRIDWELL. The breakdown we have available at this time is the same breakdown that was given to the committee last year and it is based upon the tentative location of the developmental system.

Mr. CRAMER. Since that time, South Carolina has been added. How many miles are to be included in South Carolina on the developmental highway system?

Mr. BRIDWELL. No mileage has been included in South Carolina on the development system.

Mr. CRAMER. And none for Alabama?

Mr. BRIDWELL. That is correct, sir.

Mr. CRAMER. What if they get the 13 counties in southern New York added?

Mr. BRIDWELL. There is no mileage available for New York, under the present provisions of the bill or in the planning process.

Mr. CRAMER. Suppose, pursuant to the Kennedy amendment, the New York counties are added? They could make use, could they not, of a portion of the 2,350 miles authorized under this section?

Mr. BRIDWELL. I suppose, theoretically, it is possible, Mr. Cramer but, practically speaking, "No." The Commission would have to come back to the Congress for an additional authorization.

Mr. CRAMER. In fact, the Commission would vote to refuse them any mileage at this time?

Mr. BRIDWELL. I think, within relatively small limits, the entire developmental system mileage has, for all practical purposes, been allocated.

Mr. CRAMER. Can you give us the estimated cost of construction for the 2,350 miles of development highways?

Mr. BRIDWELL. I am going to ask Mr. Hitchcock to help me on this because he has been working more recently than I on the cost estimates.

Mr. HITCHCOCK. This was estimated to be about \$1.4 billion, including the 500 miles and thousand miles of the access roads.

Mr. JONES. May I ask a question in that connection?

Mr. CRAMER. Yes.

Mr. JONES. Where do your estimates come from?

Mr. HITCHCOCK. They came from the State highway departments.

Mr. CRAMER. That is total cost of the construction, including State costs?

Mr. HITCHCOCK. Yes.

Mr. CRAMER. Then what is the breakdown of the Federal cost of \$1.4 billion? What is the Federal?

Mr. HITCHCOCK. About 0.98, at the ratio that is proposed in this legislation.

Mr. CRAMER. \$980 million?

Mr. HITCHCOCK. Yes, sir. This is what it would be if it were built according to those estimates.

Mr. CRAMER. Then why was not \$980 million authorized?

Mr. HITCHCOCK. Because we thought within the period of use of these highways—a 20-year period—it would not be necessary to build as many four-lane highways as was originally asked.

Mr. BRIDWELL. As was originally contained in the estimates supplied by the States, Mr. Cramer.

Mr. CRAMER. In other words, what you have done is change the standard requirements relating to the developmental highways to two-lane rather than four-lane, in some instances, in order to reduce the cost to come within the \$840 million estimate; is that right?

Mr. BRIDWELL. No, sir; not quite. What happened, as we attempted to point out last year, the solicitation and the cooperative planning by the States, in selecting tentative corridors for these highways was done as rapidly as possible and initial estimates were made. I think both the Bureau of Public Roads and the State highway departments themselves felt that some refinement was necessary.

We do know that each State did not estimate its cost precisely upon the same criteria as every other State, so that we felt a total of \$840 million was reasonable, because we felt a few States had estimated too much on the basis of four-lane, controlled-access mileage.

Mr. CRAMER. If they are four-lane, it is going to end up costing \$140 million more than is requested?

Mr. HITCHCOCK. If traffic estimates that the States supplied are reasonably accurate—working within the 20-year framework—then the answer is “No, it would not require more.”

Mr. CRAMER. When did the States submit these traffic estimates you refer to?

Mr. HITCHCOCK. About a year ago. We asked for the estimates in January of 1964.

Mr. CRAMER. Then they were available through your testimony in the determining of the figure the last time we were here?

Mr. BRIDWELL. That is correct.

Mr. CRAMER. What is the reason for the change?

Mr. BRIDWELL. There is no change from our testimony last year, Mr. Cramer.

Mr. CRAMER. Well, where do you get the \$1.4 billion total estimated?

Mr. BRIDWELL. That was what the States themselves estimated. The question to us was: What did the State estimate the cost to be? and we said \$1.4 billion.

Mr. CRAMER. I think my question was: What was the estimated cost for the development of the highway system? And the answer was, at one point, \$1.4 billion for both development and access; was that not correct?

Mr. HITCHCOCK. This was the total of the estimates that were submitted by the States. But bringing these estimates into a composite base, we reduced it to what is equivalent to an \$840 million Federal program.



Mr. CRAMER. Now, you reduced those lanes from four to two lanes in given States. Did the States concur in that?

Mr. BRIDWELL. Mr. Cramer, the States concurred by and large. There still are exceptions. The States do not concur wholeheartedly in our cost estimates. Some of them, as a matter of fact, still are recommending changes in the corridor locations.

Mr. CRAMER. I do not know how you did it, but did you do it by taking the terminal points of a given segment, and they submitted what their traffic estimates were for that segment between those terminal points, and then you made the decision that that traffic justified only a two-lane highway in some instances; is that correct?

Mr. BRIDWELL. In some instances, we felt that over a 20-year-life period, two-lane construction on a four-lane right-of-way was adequate. So there were variations in it. It was not just in one set of calculations.

Mr. CRAMER. You made those decisions?

Mr. JONES. Will the gentleman yield?

Mr. CRAMER. I am delighted to, Mr. Chairman.

Mr. JONES. The various State highway departments in Appalachia have indicated where these roads should go. They seem to have given very careful consideration to this phase of the bill.

Mr. CRAMER. Mr. Chairman, what I am trying to do is find out what the cost of this program is going to be and how they come to that conclusion. Now, whether it is justified to have a two- or four-lane highway is a decision for the States or the Bureau of Public Roads.

It is just interesting to note that, if you take 70 percent of \$1.4 billion, you reach about the \$980 million figure you suggest, when the 70 percent is the maximum contribution for each project. The minimum is 50 percent. And it appears to me that the estimate is possibly on the basis of expecting to give all the States 70 percent Federal participation.

Mr. BRIDWELL. Mr. Cramer, I do not believe that this is any different, as Mr. Jones pointed out, than the Interstate System, cost estimate. We told you what the States said they thought the cost would be. The full Public Works Committee has before it now a revised cost estimate for the Interstate System, and it has the Secretary of Commerce's estimate of what it will cost to complete the system. The cost that he has submitted is not identical with what the sum total of the cost estimates submitted by the States is. It was a process of working out between the Bureau of Public Roads and the State highway departments what they thought the cost to complete the system would be.

Mr. CRAMER. If the States are right, we are \$140 million short. We will agree on that, if the States are right and you folks are wrong?

Mr. BRIDWELL. Yes, sir, that is correct.

Mr. CRAMER. That is correct.

Now, what I was trying to get at, secondly, was, in deciding whether a two-lane rather than a four-lane highway goes in, this is supposed to be a partnership program; were the States consulted, and did they agree?

Mr. BRIDWELL. Yes, they were consulted. And as the program develops and specific locations are established for these routes, those

kind of decisions will be made, Mr. Cramer, just the same way as any other piece of design criteria is decided.

Mr. CRAMER. Well, of course—well, let's just hope; let us put it this way. Let us just hope the States agree with your determination. Because apparently, according to your explanation of it, you have ideas, that is, the Bureau, where a two-lane highway should go and where a four-lane highway should go. And apparently the States have not been consulted about that question.

Mr. JONES. Will the gentleman yield?

Mr. CRAMER. Yes, I am glad to yield.

Mr. JONES. If there is any one program in the whole country that has been successful in working with the States, it has been the road program.

Mr. CRAMER. I agree with that, Mr. Chairman. We are talking about a new system, and what I was trying to find out is, is that same procedure going to be used on this new system.

Mr. JONES. It could not be anything other than that, because the States have got to initiate it. Under the provisions of H.R. 4, we do not change the program.

Mr. CRAMER. Well, let us get to another point.

In view of the Senate report in which they indicate on page 8 that the Federal Government would contribute \$840 million from the general fund, participating States will provide \$360 million, which appears on page 9; the total of that is \$1.2 billion, and it just so happens that is 70 percent of that \$840 million.

Now, the bill provides that the Federal participation should be 50 percent, not 70 percent, unless certain conditions are met; and that is, if the Secretary determines, pursuant to the recommendation of the Commission, that assistance in excess of such percentage is required in furtherance of the purposes of this act.

Now, is the Bureau thus assuming that the participation of the Federal Government is going to be 70 percent, despite what the act provides?

Mr. BRIDWELL. We are assuming, Mr. Cramer, that the cost to the Federal Government for the entire program is going to be 70 percent.

Mr. CRAMER. You are assuming it will be 70 percent?

Mr. BRIDWELL. Yes, sir.

Mr. CRAMER. Well, then why do you bother putting 50 percent in the legislation? We are wasting our time, are we not?

Mr. CLARK. No, Mr. Chairman, I think we ought to correct the record there.

Mr. CRAMER. I yield to the gentleman.

Mr. CLARK. We are assuming up to 70 percent. It can be 50. Usually it has been 50 percent in times past. And so that is the reason. I think we are using 50 percent, not the 70 percent. In many of these cases it is going to be 70 percent because, in the situation, and in the Appalachia program itself it should be 70 percent.

Mr. CRAMER. I appreciate the gentleman's observation, but I do not think it answers my comment.

That is, that it just so happens the total cost of the program as estimated in the Senate report is \$1.7 billion. And 70 percent of that



is \$840 million. And thus the assumption is that all the projects are going to be constructed at 70 percent Federal cost.

Now, that is now what the bill says. The bill says they should be constructed at 50 percent except under unusual circumstances decided by the Secretary.

And, incidentally, do you have any information as to what will be the basis of the Secretary's decision as to the difference between 50 and 70 percent? When should highways be 50 percent and when should they be 70 percent?

Mr. BRIDWELL. This would be upon the recommendation of the Commission to the Secretary, Mr. Cramer, and this would be a decision that would be participated in by the States themselves as a part of their function on the Commission.

Mr. CRAMER. That is right.

In other words, we are giving them a blank check to make their own decisions relating to the difference between 50 and 70, or 20 percent of the cost of this highway system, which is around \$240 million?

Mr. SULLIVAN. Mr. Chairman, may I ask the gentleman if he will yield.

Mr. CRAMER. I will be glad to yield to the gentleman.

Mr. SULLIVAN. Thank you.

Is not this \$840 million in this section a maximum ceiling, Mr. Bridwell?

Mr. BRIDWELL. That is correct.

Mr. SULLIVAN. In which the Bureau of Public Roads will work with the States? It can go below that, can it not?

Mr. BRIDWELL. That is correct.

Mr. SULLIVAN. Is that not the reason why we have in this section this variance between 70 and 50 percent, depending on the final determination of the cost of the roads?

Mr. BRIDWELL. Yes, sir.

Mr. SULLIVAN. Is that not what is intended by this particular section?

Mr. BRIDWELL. That is correct.

Mr. SULLIVAN. Thank you, Mr. Cramer.

Mr. CRAMER. I understand that, but I would think there one would derive a mean at some time between 50 and 70 percent in determining what the total cost was.

Mr. SULLIVAN. One more question, Mr. Cramer, if I may.

Mr. CRAMER. I will be glad to yield to the gentleman.

Mr. SULLIVAN. Is not this question of 50 or 70 percent a safety valve feature where the cost might fluctuate, maybe a balance in between, and you are giving a safety valve to the top figure here?

Mr. BRIDWELL. This is the maximum authorization, yes, sir. The same as it is in any highway program planning.

Mr. CLARK. Mr. Cramer, would you yield?

Mr. CRAMER. I will be glad to yield to the gentleman.

Mr. CLARK. Mr. Bridwell, I think just as I came in here there was another question that came up that the chairman discussed with you, and that was, I want to ask you this.

Was not the designation of the Appalachia system worked out in the same manner with the Bureau of Public Roads and the State highway commissions?

Mr. BRIDWELL. As any other highway system, Mr. Clark?

Mr. CLARK. Yes.

Mr. BRIDWELL. Yes, sir.

Mr. CLARK. I wanted to correct the record, that's all, in the discussion between the chairman and you.

Mr. BALDWIN. Will the gentleman yield?

Mr. CRAMER. Yes, I will be glad to yield to the gentleman.

Mr. BALDWIN. Mr. Bridwell, I just want to ask you a question to clear up something in my own mind.

The Senate adopted an amendment offered by Senator Long of Louisiana dealing with patents, making them available to the general public if they developed apparently out of a contract involving appropriated funds.

The amendment, as I understand it, was put in on page 40, which apparently was at the end of a section under title 3, administration, and subsection entitled "Grants for Administrative Expenses for Local Development and for Research and Demonstration Projects." There is \$5.5 million specified in that subsection.

But in reading the Long amendment, it says:

No part of any appropriated funds may be expended pursuant to authorization given by this Act involving any scientific or technological research or development activity unless such expenditure is conditioned upon provisions effective to insure that all information, copyrights, uses, processes, patents, and so forth, will be made freely available to the public.

Now, that particular first sentence does not limit the impact to this subsection. It seems to me it would apply to any appropriated funds under this act, including the appropriations for the development of the roads program.

Now, if this is the case, it seems to me that we would be in a sort of a strange situation in that the Bureau of Public Roads will be administering the Interstate Highway System, under the Federal aid to State primary and secondary roads and this development road system. And if I read this correctly, this one section on development roads in Appalachia would be subject to this provision on patents, because there are some research funds under the road program. But our Interstate Highway System, our State primary and secondary systems would not be.

Now, am I making a correct interpretation of this Long amendment?

Mr. BRIDWELL. Mr. Baldwin, I have not examined the Long amendment, in light of the research program conducted under title 23. I would like, if I may, to defer answering that question and supply an answer for the record.

Mr. BALDWIN. Could you supply that for the record before we reach a vote in this subcommittee? Because I think we should know what the impact of this Long amendment is, whether it is actually limited to this section 302, the fact of the \$5.5 million funds, or whether it is in fact applicable to the entire road system.

Mr. BRIDWELL. Yes, sir, I will.

Mr. BALDWIN. Thank you.



(The above information follows:)

THE UNDER SECRETARY OF COMMERCE FOR TRANSPORTATION,  
*Washington, D.C., February 10, 1965.*

HON. ROBERT E. JONES,  
*Chairman, Ad Hoc Subcommittee on Appalachia,  
Committee on Public Works, House of Representatives,  
Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to a question asked me by Mr. Baldwin during the February 3, 1965, hearings of the subcommittee on H.R. 4, S.3, and related bills. The question was whether the so-called Long amendment, section 302(d) of S.3, applies only to section 302 of the bill, or whether it is applicable to the Appalachian development highway system and local access roads under section 201 of the bill.

It is our view that the Long amendment would technically apply to the road program under section 201 of the bill. However, that section does not involve any scientific or technological research or development activity within the meaning of the Long amendment. Further, subsection (a) of section 201 provides that only such provisions of title 23, United States Code, as determined by the Secretary not to be inconsistent with the provisions of S. 3 shall be applicable to the road program of section 201. The research activities under section 307 of title 23, United States Code, would be regarded as inconsistent with the roadbuilding program established by section 201 of the bill.

I trust this is the information that you desire, and if we can be of any further assistance, please do not hesitate to let me know.

LOWELL K. BRIDWELL,  
*Deputy Under Secretary for Transportation.*

MR. CRAMER. Mr. Chairman, a couple more questions and I will be finished.

MR. JONES. Yes, sir.

MR. CRAMER. You have given us the estimated cost for the total construction. Can you give us the estimated cost for the thousand miles of access roads?

MR. BRIDWELL. It is the same as it was when it was 500 miles, Mr. Cramer.

MR. CRAMER. That is \$50 million?

MR. BRIDWELL. \$50 million, yes.

MR. CRAMER. Now, do you have any time schedule as to construction of these highways?

MR. BRIDWELL. The planning efforts that are being conducted by the States now contemplate starts just as soon as money is made available through the appropriation process. And of course it is a 6-year program.

MR. CRAMER. Well, I was told it is a 5-year program before, although the section 201 dealing with highways just does not say how long it is. Do you understand it, then, to be a 6-year program?

MR. BRIDWELL. To complete construction, Mr. Cramer.

MR. CRAMER. As a matter of fact, the money could be spent in the first few years after the construction tooled up, could it not? It would not prevent you from constructing it all in 3 or 4 years?

MR. BRIDWELL. Legally, no. Practically, yes, from a standpoint of the ability of the State highway departments to construct the system and the amounts that the Congress would appropriate in any given fiscal year.

MR. CRAMER. Now, last year there were added paragraphs (d) and (e) on page 15, which relate to—

In construction of the highways the States may give special preference to the use of mineral resource materials indigenous to the Appalachian region.

That too is a new departure in highway legislation, is it not, requiring certain materials to be used?

Mr. BRIDWELL. Well, it does not require it. It says that they may give special preference.

Mr. CRAMER. Well, suggesting that they should.

Mr. BRIDWELL. That is an economic consideration, and indigenous materials regularly are used in highway programs in various parts of the country.

Mr. JONES. Will the gentleman yield?

Mr. CRAMER. Yes; I will be glad to yield.

Mr. JONES. You recall the testimony given to the committee on the Highway Act in 1954 in which the Director told us that one of the things that would be done to the Interstate System would be the use of those materials that were claimed by the community would be useful in the construction to save money. This is nothing more than a restatement of what has been in other highway bills.

Mr. CRAMER. Well, I would agree with the gentleman if the words "special preference" were not included, which means to me that, even though the cost of that indigenous material may be in excess of other available materials, this permits the State to use the more costly products.

Mr. JONES. In other words, it is totally permissive.

Mr. CRAMER. I understand that. But it does permit the States to use the more costly product in the area, does it not?

Mr. BRIDWELL. Mr. Cramer, I think you recognize that the whole program is on a very tight cost estimate. So I do not believe that the Bureau of Public Roads nor the State highway departments would attempt to go into very costly materials, just simply because they might be indigenous.

Mr. CRAMER. Did the Bureau of Public Roads ask for these two sections, or where did it come from?

Mr. BRIDWELL. I do not believe I am in a position to answer, Mr. Cramer.

Mr. CRAMER. I am talking about sections (d) and (e) of this bill.

Mr. SULLIVAN. Mr. Chairman, may I have permission to answer that question?

Both of these sections were put in in the Senate last year at the request of the subcommittee chairman, Senator Randolph. I might point out when this came over to the House last year we modified the Senate's language in both (d) and (e) so that in lines 14 and 15 the word becomes "may" instead of "shall"; and in line 12 we put in "to the maximum extent possible."

Both these sections become permissive acts on the part of the Secretary of Commerce and not mandatory.

Mr. CRAMER. The reason I mentioned this, it is a departure from existing highway regulations, and I refer to regulations 1.19, which says:

No requirement shall be imposed and no procedure shall be enforced by any State in connection with a project which may operate (a) to require the use of coal product derivatives in favor of articles or materials produced within the State.

Now, the reason for that is obvious—that they do not want a greater cost of highway construction than is available on bid basis, on a competitive basis. This deviates from that basic policy, does it not?



Mr. JONES. I cannot see that we should be excited about this road program in Appalachia.

Mr. KUNKEL. Will the gentleman yield?

Mr. JONES. Actually, State highway departments are going to be just as anxious as they always have been to do a good job.

Mr. CRAMER. What is the State highway department going to do pursuant to the paragraph which says the Secretary is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of which it is not to exceed 10 percent of the roads authorized?

Mr. WRIGHT. Will the gentleman yield?

Mr. CRAMER. Now, the result of that, what is the State going to do under those circumstances. I will ask the witness.

Mr. BRIDWELL. Mr. Cramer, I believe this committee has always expressed, both in words and in deed, considerable faith in the State highway departments and in the Bureau of Public Roads to construct highways, quality highways, as economically as possible. I do not see any set of circumstances involved in this program that is any different.

Mr. KUNKEL. Will the gentleman yield?

Mr. CRAMER. There must be a reason for writing it in. We have never written it in before. It is not in there for decorative purposes. There is a purpose of giving preferential treatment if there is a differential in the cost of material.

I will yield to the gentleman from Pennsylvania.

Mr. KUNKEL. Referring to sections (d) and (e), I would like to read an extract from a letter from a constituent of mine. Quoting:

These sections remove the selection of highway construction materials from the realm of engineering consideration and economic analysis that have long been employed very successfully in guiding Federal Government support to our highway systems. These sections favoring the use of indigenous materials are vaguely worded and could be the source of future misunderstanding and unwise expenditures of public funds.

I urge you to consider elimination of section 201(d) inasmuch as selection of construction materials is properly and more completely covered by title 23, United States Code, as included in lines 5 and 6, page 14 of H.R. 4.

And I would also urge modification of line 14 of section 201(e) to require engineering analysis as the basis for deciding where coal-derived products should be employed on the roads authorized.

As aforesaid, the possible ambiguity that might result from local interpretation of these paragraphs, section 201 aforesaid, can be completely eliminated and the same provisions which are quite clear and are defined for the use of materials in highway construction are fully covered by title 23 of the United States Code, are quite comprehensive.

That is the end of the quotation.

Would you care to comment on that?

Mr. BRIDWELL. My position, as I attempted to state it, Mr. Kunkel, is that I do not believe either the State highway departments or the Bureau of Public Roads would be a party to using either (a) inferior materials or (b) excessively costly materials in this program any more than they would in any other part of the Federal highway program.

Mr. KUNKEL. Yes, but has not your program progressed very well under the old title 23 of the United States Code, and has not the construction work gone along in a very satisfactory manner under the old standards, and why would we want to change them? Is there any particular reason?

Mr. BRIDWELL. Well, we certainly think so. Although I believe, Mr. Kunkel, this actually states what was actually practiced.

I believe the chairman actually pointed out that this has been an actual practice of the State highway departments for many years.

Mr. KUNKEL. Well, if it is an actual practice, why is it necessary to change them by legislation? Why not leave it flexible?

Mr. CLARK. Would the gentleman yield for a comment at this point?

Mr. CRAMER. I will yield to the gentleman.

Mr. CLARK. Thank you very much.

I think we can say that we cannot blame the Bureau of Public Roads for this new section, or this section that you just read. This section was put in in the Senate and by the Senator from West Virginia. And this is a point that probably will be discussed for a long time.

But I think we can also state that this point you brought up does not make a demand to any State or any section as to the Appalachian program that they must carry out this amendment in order to construct their highways.

Mr. KUNKEL. Well, I will agree that the section (d) is permissive. But certainly section (e) reads to me as if it was at least of a mandatory character. The Secretary is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 percent for roads authorized under this act.

Mr. WRIGHT. Will the gentleman yield to me at that point?

Mr. CRAMER. Yes; I yield.

Mr. WRIGHT. I think that there are two phrases in subsection (e) which make it wholly permissive rather than mandatory.

The first phrase is the word "authorized." We do not say, for example, the Secretary is directed to require each participating State to do this. We do not say the Secretary is instructed to require each participating State to do this. We say merely that the Secretary is authorized. This does not mean that the Secretary must do so.

We authorize a good many projects which in fact never get built. And every member of this committee knows that.

Now, the second phrase, I would say to the gentleman, making it entirely permissive, is the phrase pointed out by our committee counsel: "To the maximum extent possible."

Now, it might be determined by the Secretary in his wisdom, after having examined these indigenous materials and these coal derivatives, that it is not possible to any extent, and therefore we would not do it.

I can remember certain situations dating back a good many years when I was a member of the Texas Legislature, in which we authorized the State Highway Department of Texas in certain circumstances along coastal areas to use seashells rather than gravel, because seashell was available in more abundant quantities in those areas, and because it was less costly to acquire it and to use it.

So it is altogether conceivable to me that, upon thorough examination, the Secretary might determine, upon the advice of the Bureau of Public Roads, that certain of these indigenous materials, being available locally, might possibly result in a saving.

But if upon examination he does not make such determination, he is not required to use them; he is permitted only to use them.



And in those cases I cannot see that there is any real harm in this.

Mr. KUNKEL. I cannot see any real reason for changing the old law.

Mr. JONES. I think we can get along and finish our examination.

Mr. CRAMER. I have one more question.

Mr. JONES. Yes.

Mr. CRAMER. I am sorry. To the gentleman from Texas, I assume he would not object in offering an amendment in giving preferential treatment or in requiring 10 percent coal derivatives, if we add the clause "so long as the cost thereof does not exceed the cost of other available materials."

Mr. JONES. Off the record.

(Discussion off the record.)

Mr. JONES. Let us proceed with the examination of the witness.

Mr. CRAMER. What is attempted to be said by the 10 percent on line 22? Does that mean 10 percent of the construction mileage or 10 percent of the dollar cost?

Mr. BRIDWELL. Line 22 of what page?

Mr. CRAMER. Page 15, this same subject. Does it mean the mileage, dollars, or what?

Mr. BRIDWELL. We have assumed it to mean mileage.

Mr. CRAMER. That is all I have, Mr. Chairman.

Mr. JONES. Are there any further questions?

Mr. CLEVELAND. Mr. Chairman.

Mr. JONES. Yes, Mr. Cleveland.

Mr. CLEVELAND. Mr. Bridwell, I have just a couple of questions.

First of all, are these new roads, these development roads and these access roads, going to enter into either the primary or secondary systems? Are they going to be added into the primary and secondary systems of the State for use in the formula by which the highway funds are allocated for primary and secondary systems? I would like to get that clarified.

Mr. BRIDWELL. If I understand your question correctly, Mr. Cleveland, there is a provision here that requires that the development system roads, when completed, be added to the primary system, if they are not already on it.

Mr. CLEVELAND. And then how about the so-called access roads? Will they go into the secondary system?

Mr. BRIDWELL. Not necessarily.

Mr. CLEVELAND. Well, can they or will they?

Mr. BRIDWELL. They could; yes, sir.

Mr. CLEVELAND. Well, one of the things about the national highway system that has always impressed me, since I have known about it, has been the principle of fair and equal treatment to the different States.

Of course, on the face of it, this new system of highways is not treating all of the States equally because many of the States are not in it at all.

But it seems to me to compound the unfairness if you are adding highway mileage to States that is going to increase their future prorated share of Federal funds for the primary and secondary construction.

Now, I would like to get a comment on that. You realize, of course, this is unfair to the States which do not participate in the

first instance. I mean there can be no question about that. It is true on the face of the bill.

Mr. BRIDWELL. Adding them to the system at the completion of their construction, Mr. Cleveland, is the way in which we can assure maintenance of the highways. The provision is to construct them to 20 years standard so that there would be no Federal funds available for those highways for many, many years.

Mr. CLEVELAND. This is perfectly true. But is it not true that you are compounding the unfairness, because, by adding thousands of miles of roads in this area, it means that they are going to get a bigger take out of the regularly allocated Federal primary-secondary funds in the years in the future. Now, is that not a correct statement?

Mr. BRIDWELL. The formula upon which Federal aid to highway funds are distributed among the States is a fixed formula, a formula fixed by Congress.

Mr. CLEVELAND. This formula is based on population, area, and mileage of roads.

Mr. JONES. Mr. Cleveland, would you yield to me?

Mr. CLEVELAND. Yes, Mr. Chairman.

Mr. JONES. Now, Mr. Cleveland is talking about the primary system.

Mr. BRIDWELL. Yes, sir.

Mr. JONES. The primary system is unlike the interstate system, in which the mileage is fixed by law. The primary system is not fixed.

Mr. CLEVELAND. I am not sure I made myself clear, Mr. Bridwell. Let me restate the point I am trying to make.

Mr. BRIDWELL. All right.

Mr. CLEVELAND. Primary and secondary Federal funds for primary and secondary roads are allocated to the States on the basis of a formula.

Mr. BRIDWELL. Yes.

Mr. CLEVELAND. One-third being based on road mileage, one-third on population and one-third on geographical area.

Here we have a situation where you are deliberately increasing road mileage in these 11 favored States, which means that in the future they are going to get a greater share of the primary and secondary Federal funds. This compounds the unfairness to those States that are not in this in the first place.

Mr. BRIDWELL. Mr. Cleveland, the change that would result from this, certainly at some time in the near future, could be calculated. It must necessarily be insignificant, because the statement has already been made that approximately 80 percent of this system is locked in and the overwhelming percentage of the mileage is already on the primary system. So that the change, whatever it is, has to be insignificant.

Mr. CLEVELAND. Well, do you have any idea how much it would be?

Mr. BRIDWELL. No, sir. I would have no way of telling you until the corridors are recommended to the Secretary of Commerce and that the States and the Bureau of Public Roads firmly establish locations. That would be impossible for me to tell. All I can say at this time is the effect would have to be very, very small.

Mr. CLEVELAND. Am I correct in saying that this is the first variation from the policy that the Federal Government has followed since certainly early in this century, of allocating Federal aid to highways on



a formula basis to all States of the Union? Is this not a departure from that, a first departure from that policy?

Mr. JONES. Well, if the witness does not recall, I will refresh his recollection.

Yes, we have had a number of departures. We started off with the public land States of the West, and we accelerated the amounts of money that would be made available to them.

For instance, in the land areas of the West it amounts to over 90 percent.

Mr. CLEVELAND. Mr. Chairman, that was still a national program—this was aid to all the States by a formula.

Mr. JONES. Yes, it was to help those States that could not help themselves.

Mr. CLEVELAND. I am asking if there was any Federal highway program to help national roads ever before that has not gone to all States in the Union. All States in the Union.

Mr. BRIDWELL. In the regular Federal aid to highway program we also have a sliding matching scale, so that the States that have amounts of public lands pay less than either 50 percent or less than 10 percent, depending upon the program.

Mr. CRAMER. Those are applicable, the same standards, throughout the country, and not on a regional map basis as in Appalachia?

Mr. WRIGHT. You have got forest highways.

Mr. CLEVELAND. Just a moment, please.

Mr. JONES. Mr. Cleveland, you have the floor.

Mr. CLEVELAND. I did not yield, Mr. Chairman. We have mentioned these forest lands before. These are national forest lands owned by the U.S. Government. I think I want to clarify that point. You cannot use the forest lands roads as being an exception.

I want to ask you again, is there any program that you can think of since we have started the national highway program where money has been allocated to this State and this State and this State but not the other States? I know there is a difference in the formula. I can read the law, and I know all about the fact that public domain land States and the Indian land States get a bigger percentage, or they put up less to get more. I know all about that, and I know there is likewise a difference on the formula of the interstate allocation of 90 to 10 percent.

I am asking you if there is any program, to your knowledge, since the Bureau of Public Roads has established this very workable national highway system, where you have given this State or this region roads and not given them to another State or another region.

Mr. BRIDWELL. The one that I think of offhand—and I do not pretend to be a historian of the national highway program—the example that I think of offhand, of course, is the defense access roads, which are not given out by formula and are not given equally to all States.

Mr. KUNKEL. Will the gentleman yield?

Mr. CLEVELAND. A member of the staff has just informed me that those are not in point, because they are built with Department of Defense money, for the purpose of national defense, and it is not part of the national highway system which is paid for by user taxes, by the users of the national highway system.

Mr. BRIDWELL. Well, I understand your point, Mr. Cleveland, but I would like to suggest that none of this highway money, money spent for highways in this program, is being paid for directly by the user. It is all general fund money.

Mr. CLEVELAND. Paid for by the taxes paid generally, that is perfectly true. But it is not analogous to the situation where the Department of Defense has to build an access road for military purposes. I do not think that is analogous.

I think this is a case of first instance, is it not?

Mr. BRIDWELL. In the defense access road program, the money is appropriated to the Department of Defense. The roads are built by the State highway departments under the supervision of the Bureau of Public Roads, and quite frequently they go over an already existing highway, or are improvements on existing highways, which may also be a Federal-aid highway.

So their source of funding is different, but the same principle applies, I believe.

Mr. CLEVELAND. Well, you may find this a precedent. I do not accept it as one.

Did you think of any other precedent?

Mr. JONES. Yes; I can think of one.

In the 1951 act, when we appropriated \$31 million for the rehabilitation of the flood area of Missouri and Kansas and Oklahoma, I think there was some \$9 million allocated to those States for the construction of those roads.

Mr. WRIGHT. Will the gentleman yield?

Mr. JONES. There is not a first instance in any of the provisions of this bill. There is nothing new except to excite us to provide for some help to the depressed areas.

Mr. CLEVELAND. May I yield to Mr. Wright?

Mr. JONES. Yes, sir.

Mr. WRIGHT. Further in that connection, only last year, as the gentleman will recall, the Congress passed an act which did provide specific funds for additional road construction for the State of Alaska. Now, this was, I will concede, as a result of a disaster that had stricken Alaska. But it was purely discriminatory in the sense that it was legislation designed to provide roads expressly in one State.

Now, I think we might draw the parallel in that, whereas this that has happened to Appalachia is not a cataclysmic disaster of the same character, it is a disaster in that they have been left behind by the onward march of the 20th-century progress. And whereas one might have been stricken by a sudden disaster of natural upheaval of the earth; another has been stricken by a longer disaster of poverty.

So we are not completely without precedents for the treatment of certain areas expressly and exclusively in the roadbuilding field.

Mr. CLEVELAND. The gentleman is persuasive except for the fact that, by evidence we have already received before this committee, there are other areas in this country that have exactly and precisely the same problems as Appalachia and they are being left out of this bill. And that is why it is ostensibly unfair.

Mr. JONES. Mr. Cleveland, in due season we will take care of all the maladies. We consider them one at a time.

Are there further questions?



Thank you very much, Mr. Bridwell. And thank you, Mr. Hitchcock.

Now, Mr. Cleveland had a question that he wanted to propound to Mr. Ritchie of the Department of Agriculture on the section of forest management, I believe.

Is that right, Mr. Cleveland?

Mr. CLEVELAND. I think we had questions both on the situation on ASC program and forest management.

Mr. JONES. Well, he is here.

And so will you come around, Mr. Fred Ritchie of the Department of Agriculture?

We are obliged to have you, Mr. Ritchie.

Mr. RITCHIE. Thank you, Mr. Chairman.

Mr. JONES. And Mr. Cleveland had some questions he wanted to ask you.

Mr. CLEVELAND. What section is that?

Mr. RITCHIE. Mr. Chairman, I should say that Mr. Hamilton Pyles, of the Department of Agriculture, from the U.S. Forest Service is here.

Mr. JONES. Will you bring him around?

Mr. RITCHIE. He can answer far better than I, on forestry questions.

Mr. JONES. Mr. Pyles, will you and Mr. Ritchie identify yourselves for the purpose of the record?

**STATEMENT OF FRED RITCHIE, DIRECTOR, CONSERVATION AND LAND USE POLICY STAFF, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE, U.S. DEPARTMENT OF AGRICULTURE; ACCOMPANIED BY HAMILTON K. PYLES, DEPUTY CHIEF, FOREST SERVICE, DEPARTMENT OF AGRICULTURE**

Mr. RITCHIE. My name is Fred Ritchie. My title is Director of Conservation and Land Use Policy Staff, Agricultural Stabilization and Conservation Service of the U.S. Department of Agriculture.

Mr. PYLES. I am Hamilton Pyles, Deputy Chief, Forest Service, Department of Agriculture.

Mr. KEE. Mr. Chairman, may I interrupt at this point?

Mr. JONES. Yes.

Mr. KEE. To say over the years I have worked very closely with Mr. Hamilton K. Pyles, formerly the Philadelphia forester for the east coast of the United States and one of the finest professionals it has ever been my pleasure to do business with.

Mr. JONES. I am very glad to have your recommendation. That qualifies him.

Now, Mr. Cleveland.

Mr. CLEVELAND. I would like to address my questions first to Mr. Ritchie. Are you in ASC?

Mr. RITCHIE. An ASC representative, yes, sir.

Mr. CLEVELAND. First of all, can you tell us how many programs already exist in the typical county in Appalachia?

Mr. RITCHIE. You mean farm programs in the sense of programs dealing with agricultural land?

Mr. CLEVELAND. Yes. Excuse me, have you read section 203 of this bill?

Mr. RITCHIE. Yes, sir. Section 203 addresses itself to conservation, erosion prevention, and similar activities.

Mr. CLEVELAND. General land improvement.

Mr. RITCHIE. Land improvement; yes, sir.

Mr. CLEVELAND. Now, how many programs of a similar nature already exist?

Mr. RITCHIE. The only one that I am aware of, of the type that is described in section 203—

Mr. JONES. Just as a point of clarification, Mr. Cleveland, you mean accredited practices; is that what you mean?

Mr. CLEVELAND. Yes.

Mr. RITCHIE. There is an agricultural conservation program under which the costs of carrying out conservation measures is shared between farmers and the Federal Government. I know of no other cost-sharing programs on private lands.

Mr. CLEVELAND. This would be, for example, land clearing and—

Mr. RITCHIE. Well, there is no land clearing authorized under it as such. There are such practices as the construction of terraces; the planting of forest trees; the establishment of vegetative cover to protect against erosion; and the construction of farm ponds to provide water for livestock and for erosion control. Such practices are in that program.

Mr. CLEVELAND. Now, a good deal of this is also covered under section 203 of this act, is it not?

Mr. RITCHIE. The same type of activity would apply to some degree under both the agricultural conservation program and section 203 of this act; the main difference being, as I understand the act, that, while the agricultural conservation program applies throughout the area and offers cost sharing to farmers in the area for conservation measures, it is offered on an annual basis so that farmers have to wait year by year to determine what assistance they can get and for what practices.

And the general rate of assistance under that program is somewhere between 40 and 50 percent of cost, whereas under section 203 the Secretary of Agriculture would be authorized to enter into long-term agreements under which he could commit assistance for as many as 10 years of activity to enable the farmer to plan ahead and to carry out in an orderly manner practices that were needed. Also he would be permitted to share costs up to 80 percent. He could share costs that high under the agricultural conservation program if funds would extend that far.

Mr. JONES. Mr. Cleveland, could I put a question at that point?

Mr. CLEVELAND. Yes.

Mr. JONES. I think it is important.

Under these practices, you say from 3 to 10 years. You might segment the contract for various practices for 5 years, and then another practice for 1 year?

Mr. RITCHIE. Yes.

As I understand 203, the farmer would enter into an agreement to carry out the practices that were needed. He would be guaranteed help as he needed it.



Mr. JONES. Accepted practices, say, 12 accepted and accredited practices?

Mr. RITCHIE. Yes, sir.

Mr. JONES. Of course, in the grass program you could not get it established in less than 5 years to be substantial.

Then you would take the contract on that 4 or 5 years and then, after that crop, maybe 2 or 3?

Mr. RITCHIE. That is not correct.

Mr. JONES. I mean you would break it down into the accredited practices.

Mr. RITCHIE. That is correct.

Mr. JONES. So you do not go into just the general contract; you go into the types of practices that are accredited to a general area?

Mr. RITCHIE. Yes; this would be so.

Mr. CLEVELAND. Apparently, then, the big difference between this section of the Appalachia bill and your regular programs in the area is that this gives the farmer a longer period of time to make a definite contract, and if the Secretary of Agriculture says OK, he gets a greater percentage of the cost of the program; is this the essential difference?

Mr. RITCHIE. This is the essential difference. It will permit the Secretary to offer to those farms that needed to apply these practices over a period of years an assurance that they would have help. And if he felt that the farmer could not contribute the customary 40 or 50 percent that would be required for the ongoing program, he could reduce the farmer's contribution.

Mr. CLEVELAND. Well, now, Mr. Ritchie—

Mr. RITCHIE. Up to 50 acres of land. He could not, under section 203, assist him in this special program on more than 50 acres of land.

Mr. CLEVELAND. Are there any acreage limitations in your regular program?

Mr. RITCHIE. No, sir; there are no acreage limitations.

There is a monetary limitation in the regular program. The basic act limited assistance to not more than \$10,000 in any one year to any one person. But the Appropriation Committees have consistently for several years reduced that limit to not more than \$2,500.

Mr. JONES. I think it was 1956 that we wrote in the limitation.

Mr. RITCHIE. Yes, sir; or earlier.

Mr. JONES. Of a \$10,000 payment.

Mr. RITCHIE. Yes, sir.

Mr. JONES. Against those sections.

Mr. RITCHIE. Actually, the average assistance under the agricultural conservation program in the Nation is somewhere around \$200 per year to a farm in the years in which the farm gets any assistance. They do not all get assistance each year. I believe it something less than that in the Appalachia area, because the farms are smaller.

Mr. CLEVELAND. In your opinion, will section 203 as applied to the Appalachia area be a sound approach?

Mr. RITCHIE. Yes, sir. I think this is a desirable approach to get at the conservation problems on these farms that are least able to carry out these practices.

Mr. CLEVELAND. To your knowledge, has the Department of Agriculture ever recommended a basic change in the basic law that would

permit this type of treatment without having it in the Appalachia bill? Are there not other sections of the country where the program is not working satisfactorily because they cannot get up their share of the money or because the term is not long enough?

Mr. RITCHIE. Well, we do permit, insofar as the sharing of the cost is concerned, we permit the local people to increase under the regular program the Federal share of the cost above 50 percent. Where they think this is the best way they can invest the money. There is a limited amount of money for each county.

The funds are distributed among the States on the basis of conservation needs.

Mr. JONES. Mr. Cleveland, will you yield just a minute?

Mr. RITCHIE. There is authority under the Great Plains program to enter into agreements of this type. This is limited, however, to the Great Plains area.

Mr. CLEVELAND. You mean on conservation programs already in existence where you can get more than 50 percent?

Mr. RITCHIE. And long-term grants in the Great Plains area. This is true.

Mr. CLEVELAND. Then am I correct in saying that the Secretary already has the authority to do this in Appalachia?

Mr. RITCHIE. No, sir; he does not. The authority to do this in the Great Plains area is limited to that area in the basic act providing the authority.

Mr. CLEVELAND. Are there any other areas where these special provisions obtain, any other areas in the country?

Mr. RITCHIE. Where they are offered?

Mr. CLEVELAND. Where they are offered.

Mr. RITCHIE. No, sir.

Mr. CLEVELAND. In other words, it is not possible to offer more than 50 percent or to offer more than 1 year, except in the Great Plains area?

Mr. RITCHIE. It is possible to offer more than 50 percent, if we want to use up the money in that way, but it is not possible to offer for more than 1 year.

Mr. CLEVELAND. In other words, in Appalachia now, if the money were available, the authority to go up to 80 percent is already there?

Mr. RITCHIE. Is in the agricultural conservation program. But there is no authority to make the offer on a basis that the farmer is assured that he can move in progressive steps to apply these practices in an orderly manner over a period of years. He has to do what he can this year and wait and see what we can offer him for the next year.

Mr. CLEVELAND. Do you consider the fact that your program is on a year-to-year basis a weakness in the program?

Mr. RITCHIE. Yes. I think it is, and that there are many situations where the farmer, in order to undertake some of this work, needs to know that he will have help over more than a 12- or 18-month period.

Mr. CLEVELAND. Well, then, has the Secretary of Agriculture, or has your division of it, ever recommended to Congress that the authority to do this for more than 1 year be extended?

Mr. RITCHIE. I do not believe that there has been a recommendation to the Congress to do this. There has been discussion of it within the Department. This has been considered and discussed. I do not



know whether a recommendation to create long-term agreements under the regular program will be sent to the Congress.

Mr. CRAMER. Will the gentleman yield for one question?

Mr. CLEVELAND. Yes.

Mr. CRAMER. Do these treatment practices include cover crops?

Mr. RITCHIE. In the agricultural conservation program? Yes, sir.

Mr. CRAMER. So if that is the practice approved, we are right back where we started with grazing lands except the only difference is we have got 50 acres instead of 25, and that was the objection to the proposal last year?

Mr. RITCHIE. Well, as I recall, Mr. Cramer, the proposal last year, for this section, was that the assistance would be limited to practices to help establish or improve pasture. This has now been changed, as I understand section 203, to be a broader proposal directed at conservation problems primarily and to apply over a wide range of practices.

It is true that some of this effort would undoubtedly go into practices that would create a grazing opportunity. However, this is a matter of meeting a problem with farmers. This is primarily farm land. The farmer will be asked to put up at least 20 percent of the cost. Often the land is such that he will have to establish this type of cover on it. Grass or legumes often are the only satisfactory means of dealing with the conservation problem. On some of it he will have to forego using the land to produce crops in order to establish it in cover to protect it. And there will be quite an imposition on him if he is asked to contribute part of the cost of the practice, and to give up the use of his land for any income benefit.

Much of this, I am sure, will be used for pasture, for a milk cow for the farm family. Where these farm families have practically no livestock for their own home use the animals, many of them, will undoubtedly be used in the area and not shipped out.

Mr. CLEVELAND. They can be used for beef cattle, too, however, if that is the practice?

Mr. RITCHIE. Yes. There is no restriction in this section.

Mr. CLEVELAND. And last year it was for land pasture and erosion control program. But what has happened is that cover crops and land pasture is still permissible, but under a little different approach?

Mr. RITCHIE. Yes, sir.

Mr. CLEVELAND. And the result to some extent would be exactly the same?

Mr. RITCHIE. It is permissible under ACP in all States for farmers to receive assistance on cover practices if this is proper practice for the land.

Mr. JONES. Mr. Cleveland?

Mr. CLEVELAND. I have been receiving a lot of mail lately. Is the rumor true that there is a fairly substantial cutback planned on soil conservation practices in this year's budget?

Mr. RITCHIE. The budget as submitted to the Congress proposed, as it has for several years, a reduction in the level of the agricultural conservation program from \$220 million annually for cost sharing to \$120 million. Congress has restored in the appropriation act for several years now, a proposed cut.

Mr. CLEVELAND. Does it strike you as being fair at the same time that you are cutting your soil conservation program naturally that it be

improved as it is under the terms of this bill in just one area? Does that strike you as being fair to the average farmer?

Mr. RITCHIE. Well, I assume this is a matter primarily of trying to take a limited fund and place it in a way to do the greatest good. The two proposals are not necessarily related here.

Mr. CLEVELAND. Are there not other areas, farming areas, in this country where this same type of treatment would be beneficial to the small family farm?

Mr. RITCHIE. I think there probably are, yes, sir.

Mr. CLEVELAND. I wonder if you would care to comment on the following remarks in the President's budget message:

But in view of the market outlook for farm commodities at home and abroad, farming alone cannot be expected to provide a decent living in the future for more than about 1 million farm families, even with continued Government assistance. Many low-income farm families will have to find other ways of earning a living or other sources of income to supplement their modest farm earnings if they are to share more fully in our national prosperity.

Does not this reflect the generally accepted administration position now that the small farms cannot hold their own today and that, recognizing this, most farming now has got to be in larger areas, where it can be done on a larger scale; is that not a fair statement of the general outlook on farming?

Mr. RITCHIE. Well, you have carried me outside my area of much competence. I am primarily involved in the administration of the conservation programs, conservation practice activities. So I do not think I could give you a very appropriate response to that.

Mr. CLEVELAND. Is this not common talk in agricultural circles?

Mr. RITCHIE. Well, I have read the budget. I have read some comments that have been made. I think some of these farms in Appalachia that this section 203 would deal with are farms where there is a reasonable opportunity to help the farm family improve its income some. It will not necessarily bring them up to a level of income that they would all desire. But they are there, and some are likely to continue to be. And this would help them utilize their resources to their benefit as well as we could.

Mr. CLEVELAND. Do you have any knowledge of whether or not the Cattleman's Association have approved section 203 as it is written?

Mr. RITCHIE. Are you speaking of S. 3?

Mr. CLEVELAND. Section 203, yes.

Mr. RITCHIE. I do not know whether they have or not.

Mr. CLEVELAND. Are you the person in the Department of Agriculture that would be most knowledgeable about this section of the act?

Mr. RITCHIE. No. Insofar as the cattlemen are concerned, no, sir, I would not be.

Mr. CLEVELAND. No, I mean are you the person in the Department of Agriculture who would be most knowledgeable about this section 203 and the attitude of farmers concerning it?

Mr. RITCHIE. Well, I would not acclaim that great a knowledge about it.

(Discussion off the record.)

Mr. JONES. Mr. Cleveland.

Mr. CLEVELAND. I assume there was some consultation between the various branches, and what I would like to know is whether or not



you have been consulted in the drafting of section 203 in the present language, and whether you are familiar with the history of it.

Mr. RITCHIE. Nothing other than that Senator Randolph of the Senate committee sent over to the Department a draft of some substitute proposed language just before the bill was reported out. I did not participate in the drafting of the language in section 203 which Senator Randolph proposed to be substituted.

Mr. JONES. Are there any further questions, Mr. Cleveland?

Mr. CLEVELAND. I would like to find out through counsel of the committee, though, if the Department of Agriculture was, other than the testimony that we have had, whether they were consulted in the drafting of section 203.

I think this would be of interest.

Mr. JONES. If you did participate in it, to the extent of your participation, will you give the information to the committee?

Mr. RITCHIE. I will try to find out.

(The information follows:)

Mr. Ritchie advised the committee that to the best of his knowledge the Department of Agriculture did not work on section 203 as now drafted.

Mr. CLEVELAND. Because of the interest generated by Mr. Wright's objections last time, is this section, as it is now drafted, acceptable to the majority of the committee?

Mr. JONES. In your absence, Mr. Cleveland, Mr. Wright declared to the committee that the objections that he had to the section of the bill last year have been removed, and he was satisfied with this portion of the bill.

Now, are you through, Mr. Cleveland?

Mr. CLEVELAND. Yes.

Mr. JONES. Let me go through two things.

Now, Mr. Ritchie, section 203; in order to have the operation of ASC county and State committees, they must be elected by the farmers of the county; is that correct?

Mr. RITCHIE. Yes, the county committee must be. The State committee is appointed.

Mr. JONES. Then the county committee makes recommendations to the Department of Agriculture for the selection of State committee directors, is that not correct?

Mr. RITCHIE. Well, I am not sure that this is necessarily a regular procedure.

Mr. JONES. Well, I am telling you it is a procedure, if you do not know.

Now, the State and county committees, with consultation of the various agencies, with the various agencies of the Department of Agriculture, then scheme the various practices that are needed in that particular county.

Mr. RITCHIE. Yes, sir, this is true.

Mr. JONES. Then they submit them to you for approval? Or rejection?

Mr. RITCHIE. They submit them first to the State committee. The State committee and the other Department agencies review them.

Mr. JONES. They, too, agree to them or disagree to them, and send them to you?

Mr. RITCHIE. Yes, sir.

Mr. JONES. Now, under section 203, can you envision any departure from the normal practices that you are going to bring in the old part of the Department of Agriculture to advise those people, to counsel with those people, as to the programs? They are going to elect their own people to serve on that committee. They know firsthand of the requirements of marketing, they know firsthand the accrediting requirements of the Department of Agriculture.

So 203 is not going to be any different than it is at the present time, with the exception of an accelerated program?

Mr. RITCHIE. I believe this is basically right, Mr. Chairman.

The State government will come into the picture, as I understand it, under the provisions of the Commission, the organization of the Commission, but the State government now participates through the extension service.

Mr. JONES. Then you are going to be there, they are going to be there, the extension service, every other phase?

Mr. RITCHIE. The normal way of setting up a program for a county is for the county ASC committee and the Soil Conservation and the Forest Service—

Mr. JONES. The marketing service is as important to the agriculture in the form of administration—the Bureau of Public Roads, and every one of the environments of government are still going to be there, and yet it is going to be broken down in section 203 as to what the local people want named?

Mr. RITCHIE. Yes, this is right.

Mr. JONES. Any further questions?

Mr. CLEVELAND. Yes, I have one more question.

Mr. JONES. Yes, sir.

Mr. CLEVELAND. Does the county agent in each county work under your general direction?

Mr. RITCHIE. He by law is an ex officio member of the county ASC committee. He is not under our direction. He is under the direction of the State government, and the State's extension service.

Mr. CLEVELAND. But he works very closely with you?

Mr. RITCHIE. Yes.

Mr. CLEVELAND. And the same is true of the county forester?

Mr. RITCHIE. The county forester representing the State or Federal Forest Service and the local technicians of the Soil Conservation Service, and the county ASC committee jointly formulate the agricultural conservation program for the county. They do this in consultation with the soil conservation district governing body, if there is one, and they do it after they have called a meeting and invited all other agricultural agencies, both public and private, to sit with them and counsel with them on what is the best way to apply the program in that county.

Mr. CLEVELAND. Generally speaking, operating in each county, you have the county forester and the county agent, the county agent being chiefly for agriculture, the county forester for forestry.

Mr. RITCHIE. Yes, sir.

Mr. CLEVELAND. Then you will have either in the county or group of counties a representative of the U.S. Soil Conservation Service?

Mr. RITCHIE. That is correct.



Mr. CLEVELAND. Is it your opinion that in Appalachia there are enough to go around in Appalachia, or do you need more of them?

Mr. RITCHIE. Well, there are county ASC committees in all counties. There are various employees of State and Federal Government who try to service these areas. I do not know what the other agencies would say as to their problems with respect to administration and personnel.

Mr. CLEVELAND. Thank you.

Mr. JONES. Are there further questions?

We are most grateful to you, Mr. Ritchie.

Now, you have questions for Mr. Pyles, I believe?

Mr. CLEVELAND. I just want to know if you are familiar with section 214 of the Appalachia bill?

Mr. PYLES. Yes, sir; I am.

Mr. CLEVELAND. Would you tell me how you think this is going to operate?

Mr. PYLES. Well, there is a wide range of opportunities in size and character and purpose of these organizations which we call timber development organizations. They can vary from one, which you may be familiar with, which is patterned after the New England Forestry Foundation, an organization which provides technical services; a purely service organization to landowners, at cost. It is a nonprofit organization. One has been in operation for 20 years in New England. I believe they have 21 foresters to date, and they have been, I believe, quite effective.

The other type of organization would be the one in which a group of landowners would agree to join together and sponsor a timber development organization to provide all the professional services for their land. And there is a wide variation between these two types.

Mr. CLEVELAND. Is this something that has been done anywhere in the country?

Mr. PYLES. It has been done. There is one operating in eastern Michigan right now. It is primarily a procurement operation, but it is within the scope of this concept.

Mr. CLEVELAND. Would these cooperatives perhaps establish chipping mills or similar mills?

Mr. PYLES. No; they would not. They are strictly aimed at developing the resource, or, rather, helping the small landowner develop the timber resource on their lands. It is a nonprofit, State-chartered local organization developed by local people.

Mr. CLEVELAND. In your opinion, the county foresters are not properly performing this function in the Appalachia area?

Mr. PYLES. I think we call them service foresters there. It is the same character of assistance. It is very inadequate in Appalachia at the present time. In the whole scope of this program one of the other measures proposed is to provide additional assistance for the type of help that you are talking about. It is one of the other measures for which we already have authority.

Mr. CLEVELAND. Are there any other large forest owners, any pulp mills or paper companies that own large holdings in the Appalachia area?

Mr. PYLES. Yes; there are.

Mr. CLEVELAND. Have they conducted experimental forestry work or forest programs?

Mr. PYLES. Yes; they have. The industrially owned lands are, by and large, well managed. This is not where the problem is. The problem is in these small ownerships, fragmented ownerships, in which the owner does not have the technical knowledge or assistance and it not able to make the most of his forest lands.

Mr. CLEVELAND. Of the 11 States in Appalachia, do you know how many of the State universities have colleges of forestry? I believe Penn State has one.

Mr. PYLES. Yes; Penn State has. Of course, Morgantown, W. Va. I am not sure. I could give you that number, if you wish.

Mr. JONES. Shall I name them for you, Mr. Cleveland?

The University of Georgia, the University of North Carolina—rather, North Carolina State; University of West Virginia, and Pennsylvania State.

Mr. PYLES. VPI.

Mr. JONES. VPI. That is a new operation.

Mr. CLEVELAND. But, in short, it is your opinion that the Appalachia area between the private corporations and between the county foresters or service foresters, as you call them, and the State universities, there is still an appreciable and dangerous gap in—

Mr. PYLES. There is a big gap; yes, sir.

Mr. CLEVELAND (continuing). In science and research in forestry?

Mr. PYLES. Yes, sir.

By comparison, the number of consulting foresters and professional foresters in New Hampshire in relation to the number of forest acres in the State is probably greater than for the rest of the United States.

Mr. CLEVELAND. One more question.

Do you know if the ARA gave any grants for technical studies in the utilization of any of the wood products?

Mr. PYLES. Yes. There have been several grants throughout Appalachia for this purpose.

Mr. CLEVELAND. Can you tell me how many?

Mr. PYLES. No; I cannot, but I can get it for you.

Mr. CLEVELAND. Can you get it for me and submit it for the record?

Mr. PYLES. Yes, sir.

Mr. CLEVELAND. That is all.

Mr. JONES. Please submit the information requested.

(The data follows:)

Eleven loans have been approved for industrial expansion of wood-using industries in Appalachia; two grants have been approved for forest product utilization and marketing studies and one application for such a study is pending.

Mr. JONES. Any further questions?

If not, I would like an announce that tomorrow, we will hear the Governors of the 11-State Appalachia area. I think this will include Governor Scranton, Governor Smith, and Governor Tawes.

I hope that the members will all be here at 10 o'clock. The Governors are busy men. I would hate to have them come to Washington and have them sit here while the members come late. Punctuality would be appreciated.

I want to thank you gentlemen.

The committee will be adjourned until tomorrow morning at 10 o'clock.

(Whereupon, at 4:20 p.m., the committee adjourned, to reconvene at 10 a.m. Thursday, February 4, 1965.)



# APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

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THURSDAY, FEBRUARY 4, 1965

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON PUBLIC WORKS,  
AD HOC SUBCOMMITTEE ON APPALACHIA,  
*Washington, D.C.*

The ad hoc subcommittee met, pursuant to recess, at 10:10 a.m., in room 1302, Longworth House Office Building, the Honorable Robert E. Jones (chairman) presiding.

Mr. JONES. The subcommittee will come to order.

Last week I dispatched a telegram to the Governors of the 11 Appalachian States covered by the legislation now before us. It read as follows:

Ad hoc Subcommittee on Appalachia of the Public Works Committee of the House of Representatives will hold a hearing on H.R. 4 and S. 3 and related bills on Wednesday, Thursday, and Friday, February 3, 4, and 5. You are cordially invited and urged to testify before the committee on Thursday, February 4. If this is not possible, please submit your statement for consideration of the committee. We appreciate your cooperation in this important matter. Please reply to the committee at the Longworth House Office Building, Washington, D.C.

We have had responses, and I would like for the clerk of the committee at this time to insert the names of those Governors or their representatives that have statements before the committee.

Mr. McNEAL. Mr. Chairman, in response to your telegram, the following Governors have reacted as indicated:

Governor Millard Tawes, of Maryland, is here to testify.

Governor Scranton, of Pennsylvania, is here to testify.

Governor Smith, of West Virginia, will be here to testify.

Governor Moore, of North Carolina, has asked that Congressman Whitener be permitted to read his statement to the committee.

Governor Clement, of Tennessee, has asked that Mr. Harland Matthews, the commissioner of finance of his State, appear and read the Governor's statement to the committee.

We have statements submitted for the record by the following Governors:

Gov. Donald Russell, of South Carolina; Governor Harrison, of Virginia; Governor Sanders, of Georgia; Governor Rhodes, of Ohio; and I understand Governor Breathitt, of Kentucky, will submit a statement for the record.

Mr. JONES. Thank you, sir.

I have a telegram from the chairman of our committee, Mr. Fallon, which I shall read:

Following the initial meeting at the conference of Appalachia, Appalachia Governors, held in Annapolis, Md., in May of 1960, it is my desire as chairman of the Committee on Public Works that you extend the courtesy of hearing as your first witness before the Ad Hoc Subcommittee on Appalachia Gov. J. Millard Tawes, of the State of Maryland, who I understand will testify on Thursday, February 4. Thank you for your courtesy in this matter.

Signed "George Fallon, chairman of the committee."

Governor Tawes, on behalf of the chairman and on behalf of the members of the subcommittee, you are a most welcome witness before this committee today.

Governor TAWES. Thank you.

Mr. JONES. And we appreciate the great interest that you have shown and displayed in the consideration of this bill. And your contribution to this section has been, as I understand it, one of your attentive duties and your draftsmanship.

So we are pleased to have you.

Governor TAWES. Thank you very much.

**STATEMENT OF HON. MILLARD J. TAWES, GOVERNOR OF THE STATE OF MARYLAND; ACCOMPANIED BY HARRY A. BOSWELL, CHAIRMAN, ECONOMIC DEVELOPMENT COMMISSION, AND DIRECTOR, OFFICE OF ECONOMIC OPPORTUNITY OF THE STATE OF MARYLAND**

Governor TAWES. Mr. Chairman and members of the committee, when I appeared before this committee last May, I recalled that on May 19, 1960, the Governors or their representatives of all the Appalachian States convened at my invitation in Annapolis, Md.

The general purpose of this meeting was to call for the organization of the Appalachian Governors conference, so that together we could accomplish what none of us effectively had been able to do singly in coping with the economic distress which for decades has persisted throughout the length and breadth of Appalachia.

Today, nearly 5 years after the meeting in Annapolis, I appear before you again, this time to testify in support of bills H.R. 4 and S. 3. These measures are designed to initiate public works and economic development programs for the benefit of the Appalachian region.

Needless to say, I am gratified to have this opportunity to testify again in behalf of a program with which I have lived so long, and about which I have expressed myself so often as being one of the most important steps which the Federal Government can take to eradicate conditions of poverty and wanton neglect of our human and physical resources in the midst of general prosperity and affluence.

The aims and objectives of the Appalachian Regional Development Act of 1965 are inextricably related to the aspirations of an enlightened era which our President has aptly called The Great Society. The procedures and projects called for by the act will surely establish an important beachhead in the successful conduct of the war on poverty. Thus, beyond personal gratification, I also believe that your deliberations here are, in a very real sense, concerned with a subject of historic proportions.



Not too many years ago, it was a platitude of resignation to say, "The poor are always with us." I should like to pay tribute to the spirit of this administration which rejects this ancient notion and calls for the kind of courageous action which will make it possible for all Americans to share equitably in the good life with which providence has endowed us.

The State of Maryland is already well advanced with the plans to implement this proposed legislation when it is enacted into law. For the past several years, the Maryland Department of Economic Development has been working with the economic development agencies of Maryland's three Appalachian counties in perfecting ways and means to enable us to make the best possible use of such an authority.

The promise of this much-needed aid has been made over and over again to our people. Now is the time for action, not words. I urge the passage of this bill with all the forcefulness at my command.

I have reiterated my position so often that it is not possible for me to testify without repeating myself, but I believe the importance of this subject bears repetition for the sake of emphasis. Therefore, I respectfully request your indulgence.

On May 19, 1960, when I called the organizational meeting of the Conference of Appalachian Governors to order, I made this statement:

Nothing significant can be accomplished for our distressed counties of western Maryland except as part of a program whose aim would be to rebuild and revitalize the economy of the entire Appalachian region.

Today this committee has such a program before it. It is a program which has been evolved during the past 4½ years through continuing effort by the Appalachian Governors Conference and by many agencies of the Federal Government. It is a program which has been developed from the bottom up, not from the top down. It is a program based on the recognition by the Governors of 11 States that they were confronted with a common problem which could only be solved by common effort.

The conditions in the Appalachian area are familiar to all of you, and I will not take your time to detail them here, but I repeat what I said at our meeting in Annapolis in May 1960:

It is shameful and intolerable that in this year (1960) there should be children in the United States dying of malnutrition—entire families living on government handouts far short of minimal nutritional needs. It is intolerable that we should have whole counties with yearly family incomes less than \$400, and where children can't go to school because of lack of clothes and shoes.

To me, one of the most significant features of the present bill—in addition to its being based on a cooperative Federal-State-regional approach—is the fact that it is aimed specifically at the causes and not merely the symptoms of the economic distress of the region.

For a third time, I will quote from the remarks which I made before the first Conference of Appalachian Governors 4½ years ago:

We can never—

I said at that time—

arrive at a permanent solution to the problems of the Appalachian region until we stop thinking of the mountains as a "distressed area," and begin to think of them as an underdeveloped region with vast untapped human and physical resources—a region that can only find its rightful economic level through a plan

of overall development, programed for a period of 5, 10, or even 20 years. This program must not only deal with the basic problems of correcting the growing imbalance between manpower and job opportunities, but should also concentrate on the building of new highways, flood control projects, and \* \* \* upgrading educational and vocational training levels throughout the region.

The approach called for in 1960, I am happy to say, is exactly the one to be found in the proposed 1965 act.

In that connection, I am especially pleased to note the emphasis which this bill has placed upon highway construction. Here we see an approach to roadbuilding that was first developed by the ancient Romans—the use of roads not simply to serve traffic already there, but to open up or to develop the potential of a region for future economic development and growth.

Isolation is the prime curse of Appalachia. The high mountains running north and south effectively block out the region from the east-west current in the flow of American trade and commerce. Highway and rail builders usually found it easier to bypass Appalachia than to traverse it. Only a good modern network can end these age-old conditions.

And these conditions must be ended, not only for the good of Appalachia, but for the welfare of the trading areas that lie both east and west of the mountains. Our port of Baltimore, and the productive centers of the great Ohio Valley, for example, would benefit greatly from free access through Appalachia. More prosperous trade and commerce would inevitably result from new highways that could carry products to the port for export, and carry back to the interior market the goods and supplies that enter the port.

As a Governor of a State which has only three counties in the Appalachian region, I can only add my voice to the call for urgency which has been sounded so clearly by our President.

The people who live in the Appalachian area are no strangers to promises. They have stood on their street corners and outside their homes for many a year in the past and listened to the brave promises of well-meaning candidates for political office.

All too often, these promises were not fulfilled because, once in office, the former candidate found himself frustrated by the limited means at his disposal to do what had to be done to wipe out the hunger, disease, illiteracy, and general demoralization which affects an area of about 165,000 square miles, inhabited by more than 15 million citizens of 11 States.

No one State has the money or other resources to cope with adverse economic conditions that are so widespread and as deeply seated as we find in Appalachia. This is what makes a Federal program necessary. This is also why the people of Appalachia—for the first time—have permitted themselves to believe that at last something effective is really about to be done.

I travel frequently in the three Maryland counties in the Appalachian region, and I can assure you gentlemen of the committee that the usual skepticism of the people has been put aside as far as this program is concerned.

They have faith in President Johnson and in the 89th Congress of the United States.

As far as this bill is concerned, they have laid aside their normal protective shield of pride and silence. They have exposed them-



selves and their plight for all to see. It would indeed be a cruel hoax if we let them down now when their hopes are highest.

We who have portions of our States in the Appalachian region regard the spirit which motivated this bill to be one which stemmed from local necessity rather than from Federal fiat.

The people of these hills conceived the regional approach, they formed the pilot organization, they hammered out the details of the program in meetings held first at the grassroots level in Annapolis, Cumberland, and Hagerstown, Md., Pittsburgh, Pa., Charleston, S.C., Lexington, Ky., and Atlanta, Ga., and finally around their own council tables here in Washington, D.C.

These were the closing words with which I adjourned the first meeting of Appalachian Governors in Annapolis:

I believe the time is ripe for the launching of some forceful interstate action in regard to the pressing problems of the Appalachian region, and I regard this conference today as the seedbed out of which will grow a new awareness of our obligations to the mountain areas of our States.

Now, in February 1965, that wish is about to be fulfilled. The bill before you is like a sapling grown in the seedbed prepared on a day in May 1960. I cannot urge you too strongly to nurture its growth so that a mighty tree will live and flourish for the lasting benefit of Appalachia, U.S.A.

Thank you.

Mr. JONES. Thank you very much, Governor Tawes.

Governor, during the course of our hearings, we have had repeated statements to the effect that the Governors of the 11 States in the Appalachian area have been in accord with this total bill and its objectives, and I think that is one of the most refreshing things that could be presented to the Congress, that the Governors themselves feel a sense of responsibility in making these improvements and can agree on a program of mutual interest and benefit to the respective States involved.

Governor TAWES. Thank you.

Mr. JONES. And certainly you are to be commended as being a guiding force in this great direction.

Governor TAWES. Thank you, Mr. Chairman.

Mr. JONES. Are there any questions?

Mr. CRAMER. Mr. Chairman, I have a couple I would like to ask.

Mr. JONES. Mr. Cramer.

Mr. CRAMER. Mr. Governor, I appreciate your testimony.

Is the State of Maryland prepared to match, for instance, the highway construction money, some \$90 million for some 129 miles of development highways?

Governor TAWES. Yes, sir.

Mr. CRAMER. If this bill becomes law at this 50 percent of the cost thereof?

Governor TAWES. Yes, sir.

Mr. CRAMER. About \$45 million?

Governor TAWES. Yes, sir. Our highway department has been working on this program. They informed me that we are prepared to match the Federal money.

Mr. CRAMER. Have you had to legislate additional tax revenues, or do you contemplate doing so, in order to provide the necessary matching funds?

Governor TAWES. We have not reached that point yet, but, if it is necessary, our legislature is in session. The director of our highway commission is prepared to do that.

Mr. CRAMER. Good.

Governor TAWES. But we feel we will not be called upon to have legislation.

Mr. CRAMER. I see. You do not expect to be called upon to have legislation?

Governor TAWES. Well, I cannot say that positively this morning, because the director of our highway department has not given me the assurance yet. But he gives me the assurance that either through legislation or through acts of the highway department, the money will be available for matching purposes in that region.

Mr. CRAMER. Do you contemplate any additional new taxes being needed in Maryland to provide these matching funds, Governor?

Governor TAWES. No. We raised our gasoline tax to provide more money last year. So we have revenue that we think is ample.

Mr. CRAMER. Then if this program were put in effect, you would have possibly a surplus in your highway funds?

Governor TAWES. No. We have plenty of needs to use it for, but we could divert the money to this area from other sections of the State if we found it necessary to do so.

Mr. CRAMER. Well, it is the plan of Maryland, in order to conform to the Appalachian \$45 million, if that is the amount, matching funds, the plan is to divert highway funds from other highway construction and use it in the Appalachian region, is that correct?

Governor TAWES. Over the period, yes. I do not think the State would be called upon immediately. I mean we would not be able to initiate, complete a program of that magnitude in 1 year. It would probably take 2 or 3 years to complete the program. We would have the money to match the Federal funds. We have never failed to do that in any of our highway programs.

Mr. CRAMER. All right. I would be a little concerned if the results of this program would be a diversion of highway funds from other needed highway construction in other areas of the State of Maryland or any other States that are participating in this program.

Is that what I understand will be the result over whatever period of time is involved?

Governor TAWES. We have a 6-year program. We must go to the legislature for certain highway programs. And we have a 6-year program underway now, but we only dedicate the money on a 2-year basis. Then at the end of the first 2 years, we dedicate the money for the second 2-year program, until we have finally completed a 6-year program.

Mr. CRAMER. I presume you are familiar with section 221 of the Appalachian Regional Act?

Mr. JONES. Will the clerk of the committee give the Governor a copy of the bill so that he can refer to it?

Just a moment. Governor, you have one of your associates with you?

Governor TAWES. I might say that Mr. Boswell has been working on this program constantly for 5 years.



Mr. JONES. Will you give the reporter your full name, Mr. Boswell?

Mr. BOSWELL. Yes. I am Harry Arthur Boswell, and I have been in charge of this program for the State of Maryland.

Mr. JONES. Will you give the committee what your position is with the State of Maryland?

Mr. BOSWELL. I am on leave of absence as chairman of the economic development commission and director of the Maryland Office of Economic Opportunity.

Mr. CRAMER. I ask the Governor and Mr. Boswell, whoever wishes to answer the question, if they are familiar with section 221 of the Appalachian Regional Act, which I think indicates what the intention of Congress is, or would be, with relation to State activities:

No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds, exclusive of Federal funds, for the benefit of the area within the States located in the region are maintained at a level which does not fall below the average level of such expenditures for its last 2 full fiscal years preceding the enactment of this Act.

Mr. BOSWELL. Yes, we are very well aware of this and are in complete sympathy with it. We believe that it is a proper proposal.

We in Maryland, of course, have been planning on this program and working toward it for the last 5 years, and we are prepared to put the funds in. The funds have been set aside for the Appalachian program. We were hoping, of course, that the bill would have been passed last year, and so we have programs which we can get underway in a hurry with extra funds designed for Appalachia. So our highway taxes were raised during this past 5 years so we would have additional funds for expenditure in the area.

Mr. CRAMER. And do I understand that you agree or disagree with the Governor's suggestion that, in order to provide the \$45 million in matching funds, it would be necessary to decrease highway work in other areas of the State to make the money available?

Mr. BOSWELL. No, we will not decrease the highway work elsewhere, because the funds have been set in reserve for the Appalachian area out of taxes that have been previously raised.

Mr. CRAMER. I gather you anticipate favorable action, then?

Mr. BOSWELL. We hope so. We had anticipated it last year, and have some programs which we hope we can get underway in a hurry.

Mr. CRAMER. Do you have any estimate as to the new proposal which provides for 1,000 miles of local access roads?

I see Maryland's schedule for 129 miles of development highways. Do you have any estimate as to how much local access highway mileage that Maryland would request of the Commission?

Mr. BOSWELL. No. We have not completed our estimate on this as yet, principally because we are planning to have a majority of our activity near the major access highways. And so, therefore, we will minimize some of our access highways. But we are not prepared to make a final estimate at this time.

Mr. CRAMER. Can you give us an approximation? Have you made a study of how much access roads you will need?

Mr. BOSWELL. We have made a study of some, and have improved some. We have a great many others that are under consideration. And so the range is very substantial between what has been improved—

actually, in the amount that has been approved, we have something like 60 miles that have been approved in this area for some possible action, but how much additional we might have is hard to say.

Mr. CRAMER. Some 6 miles?

Mr. BOSWELL. I beg your pardon?

Mr. CRAMER. How many miles?

Mr. BOSWELL. We have 60 miles in our long-range program to be necessary.

Mr. CRAMER. Do you know what the average cost per mile is estimated for those 60 miles?

Mr. BOSWELL. No; they will vary substantially, because some of them will be a fairly high class, serving quite dense traffic in an industrial part-type access, and some of them will be designed just for single facilities, and therefore the range of design will be substantial between one and another.

Mr. CRAMER. Could you indicate to the committee how this area, if you have made a study of it, would tend to make use of other phases of the Appalachian program?

Mr. BOSWELL. Our principal emphasis under this bill will be in the highway and water resource development. But this will, of course, be related to general community development activities.

Mr. JONES. What in particular do you have in mind, if anything; for instance, in the section dealing with demonstration health facilities?

Mr. BOSWELL. Our studies in this area have not yet been completed.

Mr. CRAMER. You do not know whether you will have a need for that section or not, do you?

Mr. BOSWELL. No, sir. Not at this stage.

Mr. CRAMER. How about this new section added by the other body on section 203, labeled "Stabilization, Conservation and Erosion Control, 50-acre Agricultural Development"?

Mr. BOSWELL. The University of Maryland Extension Service worked very closely in the initial preparation of this, and I anticipate that we will have some demonstration projects. As to their scale, this has not yet been developed.

Mr. CRAMER. Well, this is for actual stabilization and conservation and erosion control of 50-acre farming sites?

Mr. BOSWELL. That is right.

Mr. CRAMER. Not demonstration facilities.

Do you know of any use for that section?

Mr. BOSWELL. No, sir.

Mr. CRAMER. How about timber development organizations providing, under section 204, for technical assistance in the organization and operation of private timber development organizations?

Mr. BOSWELL. Our forest people are examining this to determine how we can use it. We are particularly looking at some potential wood users to see that any programs that were developed would introduce new wood users in the area. But as yet we have not developed any facilities on this.

Mr. CRAMER. Did the State of Maryland request that section 203, land stabilization and so forth, in that the Governor has suggested that that has been a program from the bottom up—well, did the bottom mean the States and the local communities suggested this 203 approach?



Mr. BOSWELL. I think that this came out of local soil conservation district people and the Extension Service of the University of Maryland.

Mr. CRAMER. How about timber development organizations, technical assistance?

Mr. BOSWELL. No; this proposal did not come out of Maryland.

Mr. CRAMER. Mining area restoration?

Mr. BOSWELL. Yes, sir; we have concern about mining area restoration, but we believe that some of the first experimental work should probably be done in some of the other States.

Mr. CRAMER. What is the extent of mining activities in Maryland, in this area, these three counties?

Mr. BOSWELL. We still have some mining in the area going on. But the thickness of our coal veins are substantially less than those in West Virginia and Pennsylvania. So, therefore, it is not anything within the scale at the present time of either West Virginia or Pennsylvania.

Mr. CRAMER. You mentioned water resources. Section 206 provides for surveys only. What plans, programs, need surveys in these three counties that you know of?

Mr. BOSWELL. Well, one of the great opportunities in the Appalachian region is for development of recreational-type activities around water resource projects. At the same time, these water resource projects would make available industrial land by limiting the flood control problems on the flatlands adjacent to the water.

I think one of the things that has to be understood about this program is that a large part of it is for planning activities. And so, while we have done a lot of preliminaries in recognizing the general needs, as far as getting into the specifics, we have not gone into the specifics as to the detail as we will go into them as soon as this bill passes.

Mr. CRAMER. Did Maryland ask that this section be put in the legislation?

Mr. BOSWELL. Yes; we are quite certain that this is one of the major needs of the area—is in water resource development.

Of course, the Corps of Engineers have been doing an extensive amount of work in the Potomac River Basin, but, beyond this, we need some further study that needs some development in some of the adjacent areas.

Mr. CRAMER. What is being studied in the Potomac River Basin?

Mr. BOSWELL. Well, the Bloomington Dam facility has been authorized, and some appropriations have been made, but the entire Potomac Basin has been the subject of study and restudy by the Corps of Engineers over some years.

Mr. CRAMER. Well, if it is underway, you would not want to disturb that, would you?

Mr. BOSWELL. Not Bloomington; no. We are not talking about Bloomington. These are related problems that need consideration.

Mr. KUNKEL. Will the gentleman yield?

Mr. CRAMER. Yes; I will yield to the gentleman.

Mr. KUNKEL. You said there was wide variation in the cost of the access roads?

Mr. BOSWELL. Yes, sir.

Mr. KUNKEL. I wonder if you could tell us approximately what the low cost per mile is and approximately what the high cost per mile is.

Mr. BOSWELL. No, sir; I am not an expert on highway construction. But I do know that we are planning on designing the access roads as they meet the needs. And in one case, one of the proposals that has been suggested to serve in Washington County is a very large industrial area where the intensive use will be substantial. And this will require a high degree of improvement.

Then in another case the access road is designed to serve a single plan where actually the traffic loads will not be as heavy, and so therefore the type of improvement that has been suggested is substantially less. And according to the State road commission, the cost would be substantially less.

Mr. KUNKEL. Well, will any of them run \$100,000 per mile?

Mr. BOSWELL. I am sorry, but I am not enough of an expert to be able to suggest the dollar price.

The Governor suggested, of course, that some of our variations depend upon the actual terrain that we have to go through. So, while the entire area is mountainous, in some cases the access roads will be in valley areas, but in some cases they will be in the mountain areas, and this, of course, will, in itself, make some substantial variation in cost.

Mr. KUNKEL. Well, what I was driving at is that I see they expect now to be able to build a lot more access roads than they did last year.

Mr. BOSWELL. Yes, sir.

Mr. KUNKEL. And I wondered what the low-cost development would be, an approximate figure.

Mr. BOSWELL. I am sorry. As far as exact dollar figures are concerned, I am not able to give that.

Mr. KUNKEL. That is what I was driving at. I was going to see how much additional mileage we could get.

Mr. BOSWELL. I regret that I am not enough of an expert to give you the dollar figure.

Mr. CRAMER. I think the gentleman from Pennsylvania is referring to last year, the bill proposed that there be 500 miles at a cost of \$50 million. Now they say they can build 1,000 miles at the same cost.

Mr. BOSWELL. This is my understanding. This is what the experts have suggested.

Mr. CRAMER. As a matter of fact, they suggested \$35 million. We wondered how they could underestimate \$65 million.

Mr. BOSWELL. Well, I would suggest possibly the Bureau of Public Roads are probably the best experts in this field.

Mr. CRAMER. We were given to understand, of course, that this information came from the States, but that was the basis of their estimate.

Mr. BOSWELL. Well, this was done on the basis of initial State estimates, but very closely working with the Bureau of Public Roads.

Mr. CRAMER. It is difficult for me to understand how you come to an estimate when you do not even know how many miles you need insofar as access roads are concerned or where they are going to be built or what standards they are going to be built to. To me I just think it is a "guesstimate." About all you can call it is a guess.

Mr. BOSWELL. I would suggest it is an educated estimate.

But, certainly, until the final designs are completed, and this program is aimed at continuing these studies, it is an estimate, and no



one can say that any of these figures are going to be absolutely definite.

Mr. CRAMER. Well, we have reason to believe also the development highway section may cost as much as \$140 million, or \$150 million more than estimated.

Mr. BOSWELL. Yes. Actually, I would say that some of the estimates that came from the State of Maryland indicated that these figures are probably a little low.

Mr. CRAMER. Do these counties have a need for vocational educational facilities so far as your planning is concerned?

Mr. BOSWELL. Yes, they do. And we have programs fairly well advanced. However, as to whether or not we will use this bill in those programs or not, that is something we are not certain of at this stage.

Mr. CRAMER. Well, this is only for construction now.

Mr. BOSWELL. Yes, sir.

Mr. CRAMER. And you say your program is already well advanced in this area?

Mr. BOSWELL. For planning. For planning of vocational schools, yes, sir. In two of our three counties the design for a vocational system is extremely well advanced, with the third not quite so well; and advanced far enough so there is a good chance we will not be using the funds in this bill for the first two counties.

Mr. CRAMER. There are funds available now for such construction with Federal participation? Is Maryland using all of those available vocational education funds?

Mr. BOSWELL. Yes, sir.

Mr. CRAMER. Including those that were included in the antipoverty bill passed last year?

Mr. BOSWELL. Yes, sir. We intend to use the full range of Federal support for our programs.

Mr. CRAMER. How many of these antipoverty programs passed last year are located in these three counties?

Mr. BOSWELL. Well, we have local committees being formed in all three of the counties to develop community action programs. As far as any actual funds underway at the present time from the anti-poverty bill, there are no funds being expended in any of these three counties, except in relation to a work study program associated with one of our colleges in the area. That is the only one where actual funds have been allocated as yet.

Mr. CRAMER. It is a little difficult for me to understand, if it is a grave need area, that none of the proposals of last year are being effectuated in this area.

Mr. JONES. Well, I would like to point out to the gentleman from Florida the preparations of those programs and accumulation of facts that would justify them just cannot be raced through in a great number of communities. They have gone about the business of making submissions for proposals.

Mr. BOSWELL. That is right.

Mr. Chairman, it is like a spigot, it can be turned on or off.

Mr. CRAMER. It ought to be turned on in this area.

Mr. JONES. I think the witness has indicated that they are trying to excite interest. After all, you know we wrote a provision in the bill to require that it be approved by the States. Therefore, the local

communities would have to initiate, organize, and petition the Governors before they can receive the benefits of the program.

Mr. CRAMER. I will ask the Governor, then, if any of these three counties have so petitioned under the antipoverty bill of last year?

Mr. BOSWELL. I am sorry. I did not hear the question.

Mr. CRAMER. How many of these three counties, Governor, petitioned you for programs in this area under the antipoverty bill last year?

Mr. BOSWELL. No, not on the part of the community action programs.

I would like to note that we in Maryland are very strong in local government and in local decision. And so, therefore, we are letting the local areas develop the programs, and we are giving them technical assistance and support and coordinating State agencies behind them.

Mr. JONES. That is assistance all the way through in consideration of the antipoverty bill of last year?

Mr. BOSWELL. Yes, sir.

Mr. JONES. That it would require local initiative and the management of the program would rest at home.

So it is not uncommon, the fact that they were not just prepared and could submit an application forthwith.

So these programs, the wide public interest cannot just be initiated overnight.

Mr. BOSWELL. In each of these counties, however, we will have a request in before this fiscal year is over. We will not have any of the funds for the program lost to the counties.

Mr. CRAMER. Well, as I understand it, reading the paper, following the program, there are a number of areas that have made submissions because they have critical problems in those areas. And if this is a critical problem area, it is difficult for me to understand why they do not accelerate their activity and get some benefits under that program.

Mr. BOSWELL. We believe it is important to develop comprehensive, well considered, well planned programs instead of just rushing in just to be first.

Mr. CRAMER. Let us hope that does not imply that everybody else has just rushed in who now have applications in, because there are hundreds of them on hand, as I understand.

Mr. KUNKEL. Will the gentleman yield?

Mr. CRAMER. Yes, I will be glad to yield to the gentleman.

Mr. KUNKEL. When does your fiscal year end?

Mr. BOSWELL. Well, the new fiscal year ends in July—the end of June—the end of this fiscal year.

Mr. CRAMER. Do you have any specific knowledge of need for the sewage treatment works section in this particular area?

Mr. BOSWELL. Yes, sir. We have a substantial need in this regard because a number of our communities have planned sewage facilities works and, under the present funding programs, have not been able to raise sufficient local funds to carry the program forward. And so we believe that with this program we will have additional sewage treatment programs involved.

Mr. CLEVELAND. Would the gentleman yield?



Mr. CRAMER. Yes; I will yield to the gentleman.

Mr. CLEVELAND. In Maryland, how much does the State pay toward a sewerage system plant for town or city? What percentage of the cost is paid by the State, if any?

Mr. BOSWELL. It is approximately one-fourth of the program if it comes from the State. Actually, each grant has to be separately approved—separately studied and approved.

Mr. CLEVELAND. But the State helps the local community?

Mr. BOSWELL. Yes.

Mr. CLEVELAND. By putting up approximately one-fourth?

Mr. BOSWELL. That is right.

Mr. CLEVELAND. And the Federal Government puts up 33⅓ percent?

Mr. BOSWELL. The State board of health has to analyze its project for the people it serves as well as the cost.

Mr. CRAMER. Do I understand, then, that these local communities, having some 70 percent matching funds available through State and Federal funds for sewage disposal plant construction, are not able to come up with the 30-percent local matching?

Mr. BOSWELL. Yes, sir. Some of these local areas—local communities—are quite poor.

Mr. BALDWIN. Will the gentleman yield?

Mr. CRAMER. Be glad to yield to the gentleman.

Mr. BALDWIN. I would like to follow up what we had asked yesterday of Mr. Sweeney: whether the wording of the sewage treatment works provision, which says, "Without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States"—we asked Mr. Sweeney whether that, in any way, changed the maximum for individual grants to individual grantees.

And he said it did not change those maximums; that the only thing this changed was that the total authorization ceiling of \$100 million nationwide, or the specific allocation to a State, could be changed but the ceiling on an individual grant, both the monetary ceiling and the percentage of 30 percent, remained.

And therefore, if your communities could not meet those requirements, they still would not be able to meet the requirements under this bill.

Mr. BOSWELL. As I understand the analysis that has been made of this bill, this will provide enough additional funds in relation to some of the individual communities so that these programs can get underway.

Mr. BALDWIN. Well, I do not understand that at all. Because the person who was here as the Federal representative on this whole program testified yesterday that the ceilings would only be lifted on the total allocation nationwide, and the total allocation of the State, but the specific law that stated there can be no more than 600,000 to any individual grantee or \$2,400,000 if a series of local communities combined together, and that in no case more than 30 percent can be the Federal grant; the testimony was that those limitations remain in effect. And therefore, if your testimony is that your local communities cannot meet the matching requirements of the basic law, they still could not meet the matching requirements under this provision.

Mr. BOSWELL. It is my understanding that their matching requirement will be changed by the act. Perhaps this is a misunderstanding but this is my understanding.

Mr. JONES. Well, I would like, Mr. Baldwin, to call your attention to the bill, on page 31, line 20, paragraph (b) :

The Federal portion of such costs shall not be increased in excess of the percentage established by the regulations promulgated by the Secretary of Commerce, and such regulations shall in no event authorize the Federal portion of such costs to exceed 80 per centum.

Mr. BALDWIN. I am simply referring to the testimony given by the representative of the Federal Government yesterday which said the ceilings in that individual act still remain. I do not propose to say he perjured himself. He stated that those ceilings—

Mr. BOSWELL. I am not suggesting that the Federal portion would exceed 80 percent thereof.

Mr. BALDWIN. The testimony of the gentleman, Mr. Sweeney, was that the limits in our basic law still remain per individual grant.

Mr. BOSWELL. Well, perhaps it is in the method of application rather than in the law but, certainly, this 80 percent would not be exceeded by the Federal grant.

Mr. JONES. Well, I just wonder if we cannot do this, Mr. Baldwin: If there is some question as to what Mr. Sweeney stated on yesterday, he will be available later on and, of course, he can reestablish what he said on yesterday that pertains to this section of the bill.

Mr. BALDWIN. Fine.

Mr. CLARK. Mr. Chairman, would the gentleman yield?

Mr. JONES. Therefore, let us proceed to what the witness understands about the bill.

Mr. CRAMER. I yield to the gentleman from Pennsylvania.

Mr. CLARK. I think—to correct the record—we should have because I believe there is a misunderstanding between the 33⅓ percent and up to 80 percent.

I believe that I was here, Mr. Baldwin, when Mr. Sweeney testified, and I did not get the same understanding of what he said as you did, so I think the record should be straightened out.

Mr. JONES. Well, the Chair will call Mr. Sweeney back and he can speak for himself as to what he said or what he did not say.

So let's continue to examine the witness that we have at hand.

Mr. CRAMER. Can you indicate what supplemental grants—the Federal grant-in-aid programs under section 214—you contemplate for the three counties in Maryland? That is the catchall little APW provision that permits Federal matching on any kind of Federal grant-in-aid program—any construction program—up to 80 percent of the cost thereof.

Mr. BOSWELL. No, sir; we are not able to give a final dollar figure on this until some of our planning procedures are further carried forward.

Mr. CRAMER. Did you ask for the inclusion of this section in the legislation?

Mr. BOSWELL. Yes, sir. There is no question in our mind but that additional funds are necessary for some of these local communities.

Mr. CRAMER. As I understand it, this area got \$1.5 million allocated on the Accelerated Public Works Act; did it not?



Mr. BOSWELL. Yes, sir.

Mr. CRAMER. These three counties?

Mr. BOSWELL. Yes, sir.

Mr. CRAMER. Did you submit an estimate for Maryland as to what its expected participation, moneywise, would be in this program?

Mr. BOSWELL. In the very early days we submitted a number of projects, they had not been able to refund in other previous programs, and with the recognition that certain additional projects would be required. The amount of money that is allocated for the total Federal program under this still would not take care of all the projects that the State felt might be logically advanced to serve the area.

Mr. CRAMER. You do not think the \$90 million figure is adequate so far as Maryland is concerned, Maryland's participation?

Mr. BOSWELL. As distributed over all the States, it will not meet all of the possible projects that would assist the area.

Mr. CRAMER. Would you submit to this committee a list of those proposed projects that you submitted to the Commission?

Mr. BOSWELL. Would we?

Mr. CRAMER. Yes.

Mr. BOSWELL. Yes, sir. I do not have them before me; but I will get them before you.

Mr. CRAMER. Could I ask that that be included in the record, Mr. Chairman?

Mr. JONES. Well, I think, Mr. Cramer, we will ask the Commission in the report, that they request a submission of projects to be certified to the committee, as well as to the Commission.

Mr. CRAMER. Well, I think that would be very helpful under this section.

Mr. BOSWELL. I would like to note that this has been a continuing process, and so under one study that was made by the staff of a research institute we submitted a list of projects. We had some before and have submitted some since. So an individual list of projects has been submitted.

Mr. CRAMER. I understand that. Our problem, at least mine, as far as this—one is how much is this program going to cost? And the constant testimony we get is that the authorizations provided are not adequate.

And further indications are that over the 6-year life of this Commission, the cost of this program could go up as high as \$4 billion for just the Appalachia region.

And I would like to know what we are committing the Congress and the taxpayers of the country to over the long range in this one region. Because there apparently now are some commitments made with regard to some other regional approaches, many of them throughout the country.

Mr. BOSWELL. One of the problems that we have had in the analysis of these projects is that it has been very difficult for us to take a look at the entire regional approach, because these projects relate not just to the single State, but also to growth on the part of adjacent States.

We feel that through this technique of an overall look at the problems, that we are going to be better able to determine which of these projects will be more effective as better investments and return investments to both the local areas to the State and to the Federal Govern-

ment. And some projects that appear to be worthwhile as submitted by the local communities possibly as we begin to take our overall overlook, we will begin to recognize that some of those projects will not be as effective as they appeared to be in the first instance.

Therefore, we need this sort of a regional study so our judgment can be effectively applied.

Mr. CRAMER. Governor, who was it that suggested that only three counties of Maryland be included in this Appalachian Regional Commission?

Governor TAWES. They are the only three counties in our State that border the Appalachian area, Washington County, Allegany, and Garrett Counties. Garrett and Allegany Counties are in a coal region, but that range of mountains cuts through Washington County. But we could not very well identify Frederick County, Carroll County, or Howard County as Appalachian counties. So we had to confine it to those three counties.

Mr. CRAMER. Do those three adjoining counties that you mentioned, in addition to these three, do they have unemployment problems?

Would they be classified as unemployment areas?

Governor TAWES. No. As they get closer to the metropolitan area of Baltimore, the better position they are in, the better the area. They are not regarded as distressed counties. And they cannot participate in the ARA.

Mr. CRAMER. Are there other counties in Maryland that were designated under APW as poverty areas? How many counties were designated, do you remember, in Maryland, under APW?

Governor TAWES. We have about four counties on the Eastern Shore of Maryland that have been designated, and they have been eligible for Federal grants and participation in the vocational training and ARA. And Calvert County in southern Maryland.

Mr. CRAMER. Does this not kind of discriminate against them, then?

Governor TAWES. I do not think so.

Mr. CRAMER. They have an equal need, though, do they not?

Governor TAWES. No. They have an entirely different need. As a matter of fact, these counties on the Eastern Shore, along the Chesapeake Bay area, we are providing very fine programs in the Chesapeake Bay area. In southern Maryland we are paying special attention now to southern Maryland, because of certain legislation which we are going to effectuate July 1 of removing slot machines from that area. We feel we have got to move in that area to help them.

These three counties are in an entirely different area. You are in a mountainous area of the State. And the coal business, the coal industry, has gone down. I have committees now studying the coal industry in western Maryland. We employed consultants to come in and give us some professional advice as to what we should do in that area. We think that is an area that needs special attention and has needed it for some time.

Mr. CRAMER. The way this bill was put together, I am a little bit surprised that maybe they did not include that as another way of fighting unemployment.

I just have one other question, and that relates to the Federal representative's rights under this proposal. As I read it, the Federal representative has an absolute veto power over either programs or



projects, individual, specific projects. Do you concur that the Federal Government should have veto power despite the fact that 11 States may vote to the contrary?

Governor TAWES. It does present some concern, but we are opposing it. We are not objecting to that phase of it, and we think those matters can be resolved.

Mr. CRAMER. They can be resolved if the Federal representative is willing to agree with them?

Governor TAWES. We are in sort of a partnership operation here, and I do not think any State is going to be too anxious to deny the other States their proportionate part in this program.

Mr. CRAMER. It is a little difficult for me to see why States would be willing, 11 of them, to subordinate their decisions to that of one Federal representative solely because there is Federal money going into the State.

Governor TAWES. But we are confronted with problems like that in many areas.

Mr. CRAMER. That is all I have.

Mr. JONES. Are there further questions?

Mr. BALDWIN. Mr. Chairman, I have a question.

Mr. JONES. Yes.

Mr. BALDWIN. Governor, there were several amendments adopted by the Senate. I would like to ask specifically whether you or your staff have reviewed the Lausche amendment and the Long amendment, the one by Senator Long of Louisiana, and whether you have any position as a State on those amendments, for or against them.

Governor TAWES. I have no comments to make on them, as a matter of fact. I have not reviewed them very well. We have depended on Mr. Boswell. He has been giving his full time to this matter.

Mr. BOSWELL. The only amendment that we reviewed was the one amendment that passed.

Mr. BALDWIN. Well, there were three amendments that passed. One was the amendment offered by Senator Lausche, which referred to the mining provisions, and it reads as follows:

No moneys authorized by this Act shall be expended for the purpose of claiming, improving, grading, seeding, or reforestation of strip mined areas except on lands owned by Federal, State, or local bodies of government, until authorized by law after completion of the study and report to the President, as provided in subsection (c) of this section.

Does that amendment meet with your approval?

Governor TAWES. Yes, sir.

We have the same problem in Maryland. The strip mining operation is rather a troublesome problem with us. And we are introducing legislation this year in our legislature to correct some of the problems that have confronted us for many years.

And I would think on State and Federal lands, I would agree with that. I have no objection to that.

Mr. BALDWIN. And the amendment offered by Senator Long dealt with patents which stated that, under this program, any patents that might be developed would be made available to the general public.

What is your position on that amendment?

Mr. BOSWELL. I do not see anything wrong with it.

Mr. BALDWIN. What is that?

Governor TAWES. We do not see anything wrong with that.

Mr. BALDWIN. All right, sir, thank you.

Governor TAWES. What was the other?

Mr. BALDWIN. The third one was the Senator Kennedy amendment dealing with New York State. And I will be glad to have your position on that.

Governor TAWES. I would just like to make this comment, Congressman Baldwin. By this whole concept—

Mr. JONES. Governor Tawes, shall I file a plea for you as *res inter alios acta*?

Governor TAWES. Well, they were invited to participate during all the conferences. They were invited because we think that certain counties in the State of New York were eligible under this program, but they did not care to cooperate and participate in any of the meetings. It would be slightly unfair to the 11 States if the amount allocated would be spread thinner to include them, and I think they can come in at a later time.

Mr. BALDWIN. In other words, you would not be too enthusiastic about dividing that \$840 million for highways with another State that was not originally in the act?

Governor TAWES. Well, I think that is what I was trying to say.

Mr. JONES. Any further questions?

Mr. Cleveland?

Mr. CLEVELAND. In our report on this bill last year, it is reported that the State of Maryland completed its fiscal year 1963 with a surplus of about \$32 million.

Governor TAWES. About how much?

Mr. CLEVELAND. \$32 million, fiscal 1963. And it has completed its fiscal year ending June 30, 1964, with a surplus of approximately \$31 million. Is this information that is in front of our committee true?

Governor TAWES. Well, we dip into that surplus on July 1 to help balance the succeeding fiscal year.

Now, the budget that I presented to the legislature on January 20 shows a surplus of \$8 million, and we have a supplemental budget that we must take care of for some emergencies, such as handicapped children program and our educational system. And by the time I finish with that \$8 million, we will have probably a few hundred thousand dollars left.

Mr. CLEVELAND. I am just asking you if it is correct that the information that is in this report that in June 1963 there was a surplus of approximately \$32 million is correct?

Governor TAWES. Yes, as of June 30, I think those figures are correct. But on July 1 we have appropriated in the budget the difference between our revenue and our spending program, and it comes out of that surplus. So on July 1, that surplus will be reduced by \$20 or \$25 million, because we use that surplus to balance the budget for the next fiscal year.

Mr. CLEVELAND. The only question that I had was that actually—and I will ask either witness this question—actually, the plan, the advanced plans that Maryland has really almost completed, or near completed, were chiefly for the highway sections of the Appalachia bill?

Mr. BOSWELL. Yes, I would say that our principal emphasis has been on highways.



However, again from the standpoint of completed, I think we have to emphasize that what we have done in many ways is still an outline. We have gone into considerable detail, until the final analysis is made under these study programs that this bill would help to get underway.

Mr. CLEVELAND. I also refer to this report on the Appalachia bill that we had this year, this committee's report—we find the following on page 30 of this report:

As to the utilization of existing Federal-aid programs, there is evidence that Maryland is lagging badly, at least as regard to Federal-aid highway programs. As of May 31, 1964, Maryland was at the bottom of the list of States of the Union in terms of obligating Federal-aid funds apportionment for the National System of Interstate and Defense Highways.

Now, if this statement is true, it certainly casts some doubt on the expediency with which you can use these funds that your evidence says is so badly needed for the State. Do you care to comment on that?

Governor TAWES. Let me qualify that. That is true in the overall picture. But the East-West Expressway through Baltimore is where that huge backlog accumulates.

In our highway system other than Baltimore City, the East-West Expressway, we are up to date on all of our Federal—we will have our system completed by 1972 and beat the deadline.

But we have accumulated a backlog of money that has been allocated for the construction of the East-West Highway through Baltimore City, which is a very expensive proposition. And we feel now that something is going to have to be done, and we are urging our highway director and the Federal road administrator assigned to that area who was very critical a few days ago of the government of Baltimore City for not having the highway construction underway.

This money has accumulated, and we cannot use it for any other purpose.

Mr. CLEVELAND. And my final question to either one of the witnesses, what State program, if any, have you devised to help these three counties that are going to join Appalachia?

Governor TAWES. We are now speeding up in our highway program through the western Maryland area from Hancock—that is in Washington County—on toward Cumberland and Allegany County. We are building a dual highway through that mountainous area, very expensive operation, a very expensive operation. We are building a bypass around Cumberland in Allegany County for the purpose of creating better economic conditions in that area.

We have just allocated to Washington County an amount of money to be used by the university in making a study to help them with this Appalachia program. We allocated \$7,900 last week for that purpose.

We have in the coal area—in the coal area we employed a firm of mining engineers to come into the area, and spent \$12,000 for a study to be made of that area. And we are following through with the recommendation by employing an engineer in our bureau of mines in western Maryland, because they recommend that that type of consultant should be used. That is in my budget of the current year.

We are constantly moving in the direction of studies of the Garrett County area. We have allocated some of our moneys to the building of new plants in the area of Oakland. In the Kitzmiller area they

are badly in need of sewage, but we are hoping that this bill will help maybe in that area.

The State parks in the area, we have contributed money to expand those parks as a recreation area in both winter and summer. The area does get special attention because we think they are entitled to special attention. It is an underdeveloped area; they need help.

Mr. CLEVELAND. Thank you.

Mr. JONES. Governor Tawes, you have been most helpful to the committee and we appreciate your being with us today.

And, Mr. Boswell, you have been most helpful too. I know of your great interest in this program, and certainly the things that you have had to say to us will certainly be weighed when we go into the executive session of the committee.

Thank you very much.

Our next witness is the Honorable William Scranton, Governor of the State of Pennsylvania.

Governor, it is a pleasure to see you again. Every time we have an alumnus of our body who has been as successful as you have been, we know that you are always a valuable source of witticism and counsel, and we have paid particular attention to the interest that you have shown in this program. And of course we are counting on you to be helpful to the committee.

It is a pleasure to have you here.

#### STATEMENT OF HON. WILLIAM W. SCRANTON, GOVERNOR OF THE COMMONWEALTH OF PENNSYLVANIA

Governor SCRANTON. Thank you, Mr. Chairman.

I gather that you are pressed for time, and I have a formal statement prepared for the committee which I will not use. You can place it in the record at the end of my testimony. I would appreciate it, so that we can carry on as quickly as possible for you.

I think it is well known in the United States of America and in the Congress of the United States that Pennsylvania is very vigorously in support of the Appalachia bill.

You will remember that originally when the bill came to the House a year ago, I came down and testified at great length, and I appreciated then the tremendous amount of time that your committee devoted to the matter, and we submitted to you a number of changes and suggestions and ideas, all of which almost to the letter you instituted into the bill last year, for which we are extremely grateful.

The original bill dealt primarily with the highway, water resources, health facilities, and to a certain extent, educational facilities.

We felt very strongly that mining area restoration and reclamation is extremely important in this particular Appalachian area, and particularly in Pennsylvania, I admit, but also in Kentucky, West Virginia, Ohio, and other States.

And the President, President Johnson, was extremely open to this thinking and was kind enough to give support to the suggestions we made and, as a result, you included last year, and the Senate passed portions of this bill which deal with subsidence and mine caving and the flushing efforts to take care of that problem, which we have been doing so much of in Pennsylvania.



The work to be taken care of in the underground mine fire that had been left over from the vestiges of abandoned mining; the coal banks, both those that are burning and nonburning in Pennsylvania, and in other parts of the mining areas, in which we now at long last have methods to take care of them, and we need the money to put those methods into being, although we in the State have started it; and last, but by no means least, at least the beginnings of some ardent efforts on the water pollution problem, which is an extreme one in the Appalachia area.

This year when the bill came to the Senate, it was clear that all of these things were included, and for this we were very grateful. But we felt there should be added a portion of the bill for strip-mining legislation. Frankly, this was not only because this was of extreme importance to Pennsylvania, but also because, as you know, many in this field, that this particular bill, the Appalachia bill, will do well if it is indicated clearly, once it goes into being, that it is doing a job.

And in strip mine reclamation, as well as the other things we have suggested, these are projects which can go into being immediately. Most of the engineering and, indeed, the experience in them has been so vast that it can actually take place immediately.

And so Senators Clark and Scott suggested an amendment which the Senate was kind enough to adopt, which would mean more money for strip mine reclamation in the areas that were formerly strip mined and have been abandoned.

This was further amended, as Congressman Baldwin pointed out 2 minutes ago, in the Senate, which would indicate that the work can only be begun in those areas that are owned by Federal and State or local government. As I understand it, there were two primary reasons for this further amendment. One was that in some of the States there are not very strict laws about the operation of strip mining.

We in Pennsylvania have been in the forefront in this field, and now have model legislation in strip-mining activities in which it is necessary to return the strip mining to the contour, and therefore any present operation is being taken care of very well.

Our problem is that there have been vast areas that have been strip mined before these laws were put into being, and abandoned.

Secondly, as I understand the rationale for the amendment, there was a feeling nobody, least of all us, would want a kind of private enrichment on a Federal and State fund basis with private lands gaining from this, or private persons gaining in some way.

May I say to you that if this is the rationale of the committee, we would be glad to accept it, because we do not want that to happen everywhere, but I must say in all candor we have been doing this kind of thing in Pennsylvania under State operation for some time without any such private enrichment occurring. I am perfectly well aware there are no such laws in the other States, and perhaps that is the reason there is a contention about this matter.

Mr. JONES. Are you familiar with the program of the Department of the Interior, Bureau of Mines? They have been carrying on a research program which was initiated, if you recall, to arrest the acid drainage of abandoned mines; it started as a pollution problem. I wonder if you have been satisfied with the progress of that program?

Governor SCRANTON. No, I don't think anybody is, sir. This is

the one phase of what I call the vestiges of abandoned mining operations in the mining areas which has not been engineered out or researched out to the degree that those of us would like it solved.

As you know, this particular bill provides in the acid mine drainage and water pollution section primarily for a pilot operation. Frankly, although we are disappointed, we have not got all the solutions to this problem. This is where the effort should go in our opinion.

Incidentally, the State of Pennsylvania has done a great deal in this field, and the present secretary of mines, who is here, Dr. Canberry, has done a lot of this research at Pennsylvania State University. He has come up with a great new technique to be used for taking care of acid mine drainage.

Frankly, one of the reasons why we are so extremely anxious to push even more strongly than we previously have strip-mining reclamation is because the fact that the strip-mining areas remain there for years and years in abandonment is one of the real causes of acid mine drainage, and the more quickly you can get them filled up one of the real causes of the problem would be exterminated.

Last, but by no means least, there has been a lot of argument—I am trying to get to the nub of this bill; most people know what we approve of—about the Federal-State relationship in this particular enterprise, which is unique. It is different from any other program I know of. It has come about sort of like Topsy as the Governors with the Federal Government get together on it, and it will be something new and different.

Let me go back a moment. You will remember when I was here last year I testified very strongly in antagonism to the corporation setup that they had in the bill at that time because I felt very strongly that this would mean a complete takeover by the Federal Government of the area, and also it was in very vague language in the bill as to precisely what this corporation would do, and what powers it would have, and this committee did take that particular section out of the bill, which I thought was a tremendous improvement.

Also I testified, both here and in the Senate, in favor of giving the States an opportunity both to initiate the programs and the projects; and, secondly, to be able to have a say in any other project which might be agreed to by the Commission and where their State was involved they could say they did not want them. Both of these provisions are now in the bill and as a result we do have a unique Federal-State relationship here.

May I say to you that in all of the work that has been done on this program over the last couple of years, which has been quite strong as you know—

Mr. JONES. Governor, don't you think that is a considerable improvement of the interstate compacts that we usually adopt?

Governor SCRANTON. I had better, because I advocated it, sir.

The work that has been done in this is that the States primarily have indicated to the Federal Government representative the State government has been working on this, the problems we think are helpful and could work in this field. It is from this very energizing system that came the mining area phases of the bill that we suggested to you last year. Consequently what I am saying to you is that although this is a unique setup, I think it is a step forward in Federal-State



relationships, and that it does give a great deal more both initiating effort and responsibility to the States than has generally been the case in other programs, and I for one advocate this and hope that it will work well, as I expect it will.

One final word, I think I have said a lot in the formal statement about the generalizations, but I would like to say to you we in Pennsylvania are looking forward to working on this program very strongly. We have been working with the people who have been coming up with it for some time now. We think we have added to its effectiveness by the suggestions we have made. We are extremely grateful to this administration and to both this committee and the one in the Senate for the work that has been done. We were pleased by the Senate approval of it last year, and this year, and we are very hopeful the House will be in accord very rapidly.

Mr. JONES. Do you know any of the Governors in the 11 States who are opposed to this proposition?

Governor SCRANTON. No, I do not, sir, but in all honesty, I have not polled them.

Mr. JONES. If there is disagreement, you have not heard of it?

Governor SCRANTON. No, sir.

Mr. JONES. Are there any questions?

Mr. WRIGHT. Mr. Chairman.

Mr. JONES. Mr. Wright.

Mr. WRIGHT. Both in your verbal statement, Governor, and in the prepared statement you laud the unique Federal-State relationship which has here been achieved. You called it in the prepared statement essential for the successful operation of the program. Are you satisfied with it now? Do you feel that it has achieved a workable, harmonious sort of relationship between the Federal and the State authorities?

Governor SCRANTON. Congressman, I have never known, and I do not imagine any of us have, any governmental program which anybody has always thought might be perfect, and I doubt that this will be either. But I will say this to you, that I think as it is presently established in the bill it is a great improvement over the past.

I am looking forward to cooperating and working with this. I think the Governors of the 11 States have been working very closely together on this, and I think you will find it will work successfully, unless there is some effort coming from somewhere to try to change what I believe to be the consensus of Congress as to what they want done, and the tenor of the Governors in the States as to what they want to accomplish. Legalisms as written out in acts don't always work precisely that way, but I think the spirit of this one is equally as good as the legalisms.

Mr. WRIGHT. Thank you very much.

Mr. JONES. Mr. Cramer.

Mr. CRAMER. I do want to welcome the Governor and tell him how glad we are to have our former colleague with us, and to give us the advantage of his substantial knowledge of this subject.

I wonder, rather than going through questions which would be similar to those I asked Governor Tawes, to conserve time could the proper agencies provide information for the committee on what dollar value and types of programs under each of these sections Pennsylvania is thinking of, so we will have an idea as to what is involved?

Governor SCRANTON. Yes, Congressman. We have submitted to the Federal Government exactly what we plan to do.

Incidentally, we have introduced in the legislature a bill for approximately \$7 million as our share of the fund, and the legislature so far has indicated enthusiasm for this.

We also have outlined succinctly what we plan to do in highways, and it varies from \$40,000 to \$50,000 per mile on certain types of access roads in timber areas to all the way up to \$2 million in U.S. Highways 220, 15, and 19 which go through Pennsylvania. All of this is completely lined up.

We have come up with a plan of health facilities, although, frankly, I feel Pennsylvania will get very little out of this in this field.

We have also indicated the exact projects we would use in the mining restoration sections of the bill, which we are looking forward to strongly. In fact, every single section of it has been outlined from the Pennsylvania standpoint and is in the office of Mr. Sweeney right now.

Mr. CRAMER. In deference to my colleague from Pennsylvania who has shown a lot of interest in this legislation, I will yield to him for whatever questions he may want to ask the Governor. I have a few more that I will want to follow up.

Mr. KUNKEL. I just want to compliment the Governor on the fine statement he has made. He made an equally fine one the last time he was here, and it has been a great pleasure listening to it and having him explain some of the intricacies of this matter.

As I understand you, Pennsylvania is prepared to go as soon as the bill is passed?

Governor SCRANTON. Yes. We want to be the first.

Mr. KUNKEL. I will yield back to you.

Mr. CRAMER. Is the State of Pennsylvania prepared to match the estimated \$112 million of highway construction costs for the development of highways—50 percent of it?

Governor SCRANTON. Congressman, we have outlined to the legislature a \$10 billion highway program for Pennsylvania for the next 10 to 15 years, and in it is included the Appalachian phase of it as presently outlined in our arrangement with the Federal Government. The funds for the beginning of this are available at the present time, and we believe that these could be instituted immediately. For the whole 10 or 15 years we would have to have additional financing, nothing excessive from the Federal Government other than what is contemplated in the interstate system.

Mr. CRAMER. I understand you have available funds for implementing this 5-year highway program proposed?

Governor SCRANTON. Yes, sir. We have also asked the legislature—in Pennsylvania we have separate budgets, one for motor fund and one for general fund—and we have asked the legislature to appropriate the money already for the other features of this bill.

Mr. CRAMER. Can you give us some indication on page 21, Mining Area Restoration, the section you referred to with regard to sealing and filling voids in abandoned mines and reclaiming and rehabilitating strip and surface mining areas in the United States?

Governor SCRANTON. Yes, sir.



Mr. CRAMER. How will you dovetail your present State program into this work?

Governor SCRANTON. In every one of these features of the mining program we have had a State activity for some time. For example, on the sealing of the voids, in what we call flushing, we have been doing approximately \$4 million in the last year and a half in this field. The total need in the areas of Pennsylvania that are economically flushable, as we put it, amounts to approximately \$40 million to \$50 million worth of work. As a result, we will simply continue to do this with whatever funds are available from this effort, exactly along the same lines which we have initiated some time ago, but have stepped up generally as we have had money to do it.

This, incidentally, has been extremely effective. It has stopped any further mine cave-ins in those areas, and has been engineered out for some time. We know it works.

Mr. CRAMER. Could you indicate what the attitude of Pennsylvania might be with regard to the 13 New York counties which were added by the Kennedy amendment in the other body?

Governor SCRANTON. I heard you ask Governor Tawes if he liked New York State, and my answer is, yes, I like New York State. I will say this to you, that I think the way the amendment was phrased by Senator Kennedy indicates that his wish is that the Commission when formulated will study with the help of the Governor of New York the 13 counties involved, and then to have them be included in Appalachia whatever way is appropriate.

May I say to you that I think this is a reasonable request. Precisely what is appropriate I would not know until I had studied precisely what the situation is in the 13 counties he is referring to.

Let us say, being completely honest about this, if you are going to take the items of Appalachia that make it unique—namely, the fact it is generally a mountainous area, that it is generally underdeveloped, that it has generally greater water resources provided they aren't polluted, and timbering possibilities, and has had a series of mining problems since mining has either deteriorated or has left vestiges which we are now living with in this area; certain parts of New York they are talking about are not mountainous, although the Catskills are, they do have the water resources, the common denominator the rest of us have, they have not had the mining problem the rest of us have and they probably can use the access roads—in all frankness, this would indicate, if you are talking about as appropriate, some of it is, some of it is not.

Mr. CRAMER. Your comment with regard to the State-Federal relationship prompts me to ask: Do you approve of the concept of the Federal Government having veto power? If your State of Pennsylvania decides, and gets five other States to agree with you, that a certain project or program is sound and needed, and the Federal Government says, "We are sorry, but we disagree," do you think that is the proper Federal-State relationship?

Governor SCRANTON. Since my administration in Pennsylvania became involved in this, we have worked very hard to try to come out with something here which would give the initiating effort to the States and put the responsibility on them to create the projects and to do a job. I think this is now clearly involved here. I say to you in

candor that I think perhaps some better arrangement could have been worked out, but this is a step forward over what we have in the anti-poverty program, and what we have in the area of the Redevelopment Act, and any others that have been forthcoming in the past.

The Federal Government is, after all, providing a great deal of the money here; therefore, I think they should have a right to have a say in it.

Last, but by no means least, if we are going to talk about governmental philosophies, I think it is well known that I believe very firmly that the State and local governments should do more than they are doing insofar as governments are involved. We have tried to indicate this quite clearly by intense activity in Pennsylvania. We are, however, and will be forever, unless the system is changed in favor of solving one major obstacle which is the problem of the disabusing of tax funds, and as long as 70 percent of them go to the Federal Government, it will make it almost impossible for States and local governments to do the job I would like to see.

Mr. CRAMER. As I see this proposal with the Federal Government having veto power over a commission establishment made up of the 11 States, which has not been the case in compact setups—as a matter of fact in recent years Federal members have not even been members of the compacts. They finally got membership and voting rights—at least it passed the House—now we have gone the full turn and through the commisison set up the Federal Government representative not only as a member but having veto rights, and that seems to me going in the direction of Federal control over State action and State decisions.

Governor SCRANTON. We have this advantage, sir. The States can decide for themselves if they don't want a project in their own State. Also it is initiated there. Also I would like to point out that this is in my opinion a much better setup than the one in the Antipoverty Act in which the States are given a veto power, as you indicate, which comes only after the whole project is approved by everybody else, and makes it almost impossible to veto it.

The result is in this one at least the beginning of the effort and the projects are initiated by the States, and they also have the opportunity to veto any that the Federal Government would want to perpetrate on them.

Mr. CRAMER. I hope we do not get into the situation if this becomes law where the States recommend and propose and, because of their differing views as to what does or does not help unemployment and poverty, the Federal representative is going to be taking issue with the majority of the States as it relates to the program, the projects, the allocation of funds; what terminal points should exist with regard to the highway. All these decisions are subject to a Federal veto, and I personally would like to see some other arrangement worked out. Obviously the Federal Government has to be consulted.

Governor SCRANTON. Sure.

Mr. CRAMER. If a project has to conform to basic standards to serve the objectives of the act, but I would like to see us set some of the more specifics of the objective and take away the Federal Government's veto power.



Governor SCRANTON. I would have no objection to that. You have, however, a problem here of where literally they are producing a considerable amount of money. As I said a minute ago, I think that is the root of this problem. Once the States and the local government have the wherewithal to do these jobs, I think they can do them just as well, if not better.

Mr. CRAMER. That is all I have. Thank you.

Mr. JONES. Then, Governor Scranton, you are not suggesting the Federal Government divest itself of these great public problems?

Governor SCRANTON. No, Congressman, I am not suggesting the Federal Government divest itself of anything if it has a real interest and has the money to do things which the States and the local governments do not have. This is our problem, nobody denies it.

Mr. JONES. We have equal problems insofar as seeing a prudent investment is made for the taxpayers.

Governor SCRANTON. Certainly if the Federal Government is going to use its money for this purpose it is up to the Congress and the executive end of the Federal Government to make sure that the money is used correctly.

Mr. JONES. Under the arrangement, as proposed in this bill, do you now think it goes a great distance in the direction of securing examination by every level of government cooperatively?

Governor SCRANTON. Yes; and I repeat what I said earlier, Mr. Chairman, and that is that I think quite frankly we have all read the act, we have all read the specifics as to the rights of the States, and the rights of the State members, and the rights of the Federal member, and, like all of these things, a great deal will matter as to what the spirit of those persons is. So far the spirit has been very good.

Mr. JONES. You do not sense there is going to be any trespass by the Federal Government on local sovereignty?

Governor SCRANTON. I certainly hope not.

Mr. KUNKEL. Mr. Chairman, may I ask a question.

Mr. JONES. Mr. Clark.

Mr. CLARK. I yield to the gentleman first.

Mr. KUNKEL. I asked Governor Tawes just how much would be the low figure and how much the high figure for these access roads which are going to be built. Apparently in Pennsylvania you have the study much further along. This year they anticipate building twice as many miles with the same amount of money because they have not asked for an increased appropriation but they have asked for an increased authorization on the amount of mileage to be permitted.

I wonder if you think from your studies that they will be able to do that?

Governor SCRANTON. As I understood the rationale of requesting the thousand miles of access roads with the same amount of money is that they want to put a lot of emphasis on what you and I think of as access roads; namely, Appalachia has a very mountainous terrain.

One of the problems is that transportation facilities into these very small communities in the upper reaches of the area are almost nil. This they want to accentuate. This is the lowest type of road that you can build, in the neighborhood of \$40,000 to \$50,000 per mile, and still have some paving involved. The idea is that in these upper

reaches they would want to be able to get into them for the timbering purposes, for recreational purposes.

May I say to you we have a number of indications already of what this might do. For the first time in many years there is tremendously renewed interest in Pennsylvania, for example, as a timbering area, for paper and other types of wood products. New industries are coming there for this purpose.

Our department of forests and waters, and our department of commerce has been working very closely with these people, and one of the major problems in our area—I am sure it is more acute in eastern Kentucky and western Virginia and western North Carolina—is to reach into the timbering areas, since they have never been really used before to the degree we think they can be now under the new methods of lumbering and paper manufacturing.

There are not roads to accomplish this, and I think this is why they have primarily upped the number of miles of such roads.

Mr. KUNKEL. There will be quite a percentage of those roads built at considerably less than the original estimated cost that we had last year.

Governor SCRANTON. This is correct, I think, if they can accentuate the type of road I just indicated to you here.

Mr. KUNKEL. Governor, if they close the Middletown Airbase and 13,000 people are actually out of work, and 20,000 potentially, maybe we would be able to get Dauphin County hooked onto Appalachia? [Laughter.]

Governor SCRANTON. The man has a unique interest; he comes from Dauphin County.

Mr. JONES. Mr. McNamara, you have been a good witness. [Laughter.]

Mr. JONES. Mr. Clark.

Mr. CLARK. Governor, we thank you very much for appearing before this committee once again, and once again you have been a terrific witness, and we on the Public Works Committee want to thank you for your leadership in this field, because you have been one of those who have come down here and really told us, and helped us in preparing a bill that will be good for all of the people in Pennsylvania and also the Nation.

Thank you very much.

Governor SCRANTON. Thank you, sir.

Mr. JONES. Are there further questions?

Governor, we are most grateful to you for having been with us today.

Governor SCRANTON. I thank you very much for the opportunity.

(The prepared statement of Governor Scranton follows, along with additional material:)

#### TESTIMONY OF GOV. WILLIAM W. SCRANTON, COMMONWEALTH OF PENNSYLVANIA

Mr. Chairman, I appreciate the opportunity to appear again before this committee to testify about the Appalachian Regional Development Act.

This legislation is a historic landmark in State-Federal relationships, and is possibly the most important single piece of legislation for the people of Pennsylvania that will come before you in this session.

The Appalachian Regional Development Act embodies a unique State-Federal partnership approach which is essential for a successful operation of this program.

The bill provides that any application for an Appalachian program or project



shall be approved by the State member on the Appalachian Regional Commission before it may be approved by the Commission.

It gives a tremendous responsibility to each State in developing the type of program and project that will work in its State, in approving and carrying out Appalachian projects in its State, and in helping to provide the necessary funds.

Because the States have limited financial resources, the Federal funds authorized by the bill are vital.

The State-Federal relationships embodied in the bill insure that both Federal and State funds will be applied effectively to do the job of economic development so necessary in Appalachia.

The Appalachian program will benefit Pennsylvania in many ways.

It will make possible the construction of vitally needed highways, health and vocational education facilities, sewage-treatment plants, and other community facilities.

It will make possible the improvement of the water, land, and timber resources of the Commonwealth, including uses for residential, commercial, industrial, and recreational activities.

It will especially make possible the restoration of the ravages of past mining activities to correct the problems in the coal mining areas which cause and perpetuate unemployment.

All of these activities made possible by the Appalachian program will help the economically depressed areas of Pennsylvania and of the other Appalachian States.

Last year, I presented to you a detailed analysis of the bill under consideration at that time, and many recommendations for changes to improve the bill. You were kind enough to include them in the bill and now, as passed by the Senate, Pennsylvania's recommendations are for the most part included.

The bill recognizes the common denominators which link together areas in the Appalachian States—the mountains and valleys with their water, land, mineral, and timber resources; the problems of lack of access; and the problems associated with abandoned mining activities.

The bill makes possible a pinpoint approach on the individual problems of each subregion of Appalachia which in turn will contribute to the economic development of the entire region.

The programs authorized by the Appalachian Regional Development Act will not duplicate activities of existing programs such as those of the Area Redevelopment Act and Economic Opportunity Act.

The proposed Appalachia bill is the most specific act of all of them. It outlines more clearly what can be done and what cannot be done, and why, better than any of them. It provides the State-Federal partnership approach through the Appalachian Regional Commission to pinpoint the problems and to focus on economic development while coordinating all programs which affect the region.

This approach has been developed by the close cooperation of representatives of all the Appalachian States and of the Federal Government.

Pennsylvania strongly supports this approach.

We are pleased that the Senate has already passed the Appalachian Regional Development Act earlier this week with strong bipartisan support from all parts of the Nation.

We urge similar prompt action and approval by the House so that the States and the Federal Government, working together, can get on with the job the bill challenges us to do.

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COMMONWEALTH OF PENNSYLVANIA,

GOVERNOR'S OFFICE,

Harrisburg, February 4, 1965.

HON. ROBERT E. JONES,

*Chairman, Special Subcommittee on Appalachia, Committee on Public Works,  
House of Representatives, Washington, D.C.*

DEAR BOB: Pursuant to your request during the hearing today, I enclose a brief summary of the Appalachia program funds which we estimate will be attributable to Pennsylvania, and the corresponding amounts which will be provided out of the State budget for the various programs in Pennsylvania.

I also enclose a short memorandum, describing in detail the projects and programs planned for Pennsylvania under the various sections of the Appalachia bill.

It was a pleasure to appear before your subcommittee this morning. All of us in Pennsylvania are grateful to your committee for the work it is doing in developing this promising new tool with which to strengthen the economic health of the States in Appalachia.

Most sincerely,

WILLIAM W. SCRANTON.

INFORMATION CONCERNING PROGRAMS, PLANS, AND PROJECTS FOR DISCUSSION WITH  
THE STAFF OF THE FEDERAL DEVELOPMENT PLANNING COMMITTEE FOR APPALACHIA

I. GENERAL COMMENTS

For several months, Pennsylvania has been preparing to participate actively in Appalachian programs, plans, and projects under the assumption that the Congress would enact the Appalachian Regional Development Act early in 1965.

Procedures have been established within the State government for Appalachian program and project coordination, review, assignment of priority, and approval by the State member. All project proposals developed by State departments or agencies, municipalities, or local development districts, will be submitted to the State member.

A project proposal will be referred by the State member to the State planning board for review and comment. The State planning board will review the project proposal in relationship to priorities, policies, criteria, and regional development objectives established in the State planning process, in relationship to the State's capital program, and in relationship to proposals affecting the non-Appalachian area of Pennsylvania.

Proposals for some "quick start" projects prepared by various State agencies are now being reviewed.

The Governor will request the general assembly to provide funds for Appalachian programs, including at least \$6.5 million for mining area restoration projects.

II. STATUS OF PROGRAMS, PLANS, AND PROJECTS UNDER VARIOUS SECTIONS OF THE  
APPALACHIAN BILL

*Section 201. Appalachian development highway system*

*A. General programs and plans*

1. The highway system classification study will classify existing State and local roads on the basis of use, traffic volumes, and other criteria to assist in establishing appropriate standards for types and services required, in evaluating present and future needs, and for long-range planning purposes. The \$150,000 study is being undertaken by the Automotive Safety Foundation, and is scheduled to be completed in the spring of 1965.

2. The statewide origin and destination survey will obtain data on traffic affecting State highways and will assist in developing an overall State highways network. This \$350,000 study is being undertaken by Edwards & Kelcey, and is scheduled for completion in the summer of 1965.

3. The State highways commission is required by law to prepare annually a 6-year highway construction program. The first such program is now being prepared, and is scheduled for completion in May 1965.

4. County planning commissions in the Appalachian counties have been and will be making highway and transportation plans. In the larger standard metropolitan statistical areas, urban transportation studies are now in progress as required by Federal legislation. The areas involved include Pittsburgh, Erie, Johnstown, Altoona, Wilkes-Barre, and Scranton.

5. The department of highways is now obtaining information for the U.S. Department of Commerce in the scenic roads and parkways study. Information will be transmitted to the Bureau of Public Roads before February 1.

*B. Project information*

1. In June 1964, Pennsylvania submitted to the Bureau of Public Roads and to the Appalachian staff information concerning each segment on the proposed development highway system as defined at that time. This material is now being updated as a part of the general program and planning studies described above. As indicated in last year's statement, certain segments are ready for construction, and contracts could be let during 1965.



2. The department of highways is making studies concerning the location of access roads in Pennsylvania. At present, no definite specific proposals have been developed. The department of forests and waters is determining which access roads should be built to serve State forests for recreation purposes and to make possible the harvesting of timber stands in State forests.

3. Since the original development highway system network was delineated last year, some county and local agencies have made proposals for including other highway segments. These proposals have not yet been officially evaluated.

4. No specific arrangements have yet been made with other States for cooperative highway planning and project implementation. The major area of multistate concern is probably southwestern Pennsylvania.

#### *Section 202. Demonstration health facilities*

##### *A. General programs and plans*

1. Pennsylvania prepares annually a State plan for hospital and medical facilities as required under the Hill-Burton Act.

2. The Governor's hospital study commission has been established to consider the development of criteria of need for new hospital construction to avoid building unnecessary beds. The Pennsylvania Economy League and Temple University are now doing special studies for the commission.

3. A comprehensive State mental health and mental retardation program and facilities plan is being prepared.

##### *B. Project information*

1. Pennsylvania now operates and maintains 10 general State hospitals in the Appalachian portion of Pennsylvania. The department of public welfare has proposed construction and expansion projects in connection with these hospitals for inclusion in the State's capital program, as well as possible financing through the Appalachian program.

2. The department of public welfare has proposed construction of certain local hospitals to implement a part of the general State plan prepared under the Hill-Burton Act.

3. Both the department of health and the department of public welfare have proposed the construction of health centers. The department of health included eight such centers in its capital program request. The department of public welfare has proposed the construction of a community health center.

4. The department of public welfare has suggested that certain capital improvements at State mental hospitals located in the Appalachian portion of Pennsylvania be constructed under the Appalachian program. The department of public welfare has also proposed the construction of two geriatric units for the mentally retarded.

#### *Section 203. Land improvement and erosion control*

##### *A. General program and plans*

1. County soil and water conservation districts have been established in all of Pennsylvania's Appalachian counties except Blair, Cameron, and Forest. Local committees are actively at work developing county plans and programs under the general coordination of the State soil and water conservation commission and the Federal Soil Conservation Service. A special Penn soil resource conservation and development project is being undertaken in Crawford, Mercer, and Venango Counties on a pilot basis to guide similar studies proposed in other parts of the country.

2. Under the direction of the Soil Conservation Service, the cooperative soil survey program is continuing. Additional funds recently made available for this program have accelerated the mapping rate. In eight Appalachian counties, urban planning assistance funds are being or will be used to help finance soil surveys and analyses in urbanizing areas. This is a program pioneered by Pennsylvania.

##### *B. Project information*

1. Because the land improvement and erosion and control program will deal directly with individual landowners, no specific project information has been developed at this time.

*Section 204. Timber development organizations (and other forestry programs)**A. General programs and plans*

1. No particular studies have been made in Pennsylvania which would lead directly to the formation of a timber development organization. However, a wood utilization study was financed through the Area Redevelopment Administration.

*B. Project information*

1. No specific project information concerning timber development organizations is available at present.

2. The department of forests and waters has recommended an expansion of the cooperative forestry management program to provide additional service foresters.

*Section 205. Mining area restoration**A. General programs and plans*

1. The mining area restoration programs have received major emphasis by the Governor. The Governor's task force for coal region programs has been organized to coordinate mining area restoration activities in Pennsylvania. The Governor will request the general assembly to make a substantial appropriation to enable a prompt start on mining area restoration projects.

2. Research has been in progress for many years in Pennsylvania concerning mining area restoration problems such as revegetation of strip-mined areas and culm banks, extinguishing underground mine fires, sealing voids, extinguishing burning culm piles, controlling mine pollution, and techniques of strip-mine restoration. The results of much of this research has been published. Pennsylvania will gladly make its experience available to the other Appalachian States.

3. In 1963, the Pennsylvania General Assembly enacted new anthracite and bituminous strip-mine control legislation. The strict standards of the new laws are being enforced successfully. In most cases, complete backfilling is now required.

4. Officials of the department of mines and mineral industries have been discussing with other States the development of an interstate compact on surface mining and on mine drainage pollution problems.

*B. Project information*

1. Pennsylvania has submitted to Federal officials lists of proposed mining area restoration projects. Specific projects will be further evaluated and coordinated within the State by the Governor's coal task force. Other project proposals are being developed by State agencies including the departments of mines and mineral industries, health, and forests and waters, as well as the game commission.

2. The department of forests and waters has recommended the construction of an additional nursery to produce tree seedlings which would be used for planting restored areas. Early construction of this nursery is necessary so that trees will be ready for planting when needed.

3. The Pennsylvania Geological Survey of the Department of Internal Affairs has proposed a program of topographic mapping, drilling of ground water test wells, and aeromagnetic surveys in certain Appalachian counties of Pennsylvania. This work would be undertaken in cooperation with the U.S. Geological Survey as an augmentation of the existing program.

*Section 206. Water resources survey (and water resources projects)**A. General programs and plans*

1. Pennsylvania is a member of the Delaware River Basin Commission, whose area of jurisdiction lies partially within Appalachia. Under the provisions of the compact, the commission is responsible for formulating and implementing long-range water resource river basin development plans.

2. Pennsylvania is participating actively in the Susquehanna and Ohio River Basin studies. Information developed in these studies will provide data for the water resource survey conducted for the Appalachian program.

3. Pennsylvania is a member of ORSANCO, which is concerned with water pollution control in the Ohio River Basin.



*B. Project information*

1. Water resource projects to be accelerated under the Appalachian program have not definitely been determined. Informal discussions have been held with officials of the Corps of Engineers and the Soil Conservation Service to consider projects which might be accelerated in Pennsylvania when funds become available.

2. The department of forests and waters has proposed that the existing cooperative program with the Corps of Engineers concerning flood channel improvements, stream cleaning, and bank stabilization be expanded.

*Section 211. Vocational education facilities**A. General programs and plans*

1. The State board of education is now developing a series of statewide plans for educational facilities and services for basic education and higher education. These plans are scheduled for completion during 1965.

2. The department of public instruction is developing for review and approval by the board of education the statewide plan for vocational education facilities required by the Vocational Education Act of 1963.

*B. Project information*

1. The various counties in Pennsylvania have submitted to the department of public instruction proposed attendance areas for vocational-technical schools. A list of 43 projects in attendance areas within the Appalachian portion of Pennsylvania have been submitted by the State to the Department of Health, Education, and Welfare. Specific project priorities, however, have not yet been determined.

*Section 212. Sewage treatment works**A. General programs and plans*

1. The sanitary water board administers and enforces the Clean Streams Act. Under this act, the board controls discharges into streams and has authority to issue orders to municipalities and industries compelling them to build sewage and industrial waste treatment facilities.

2. The department of health has been administering the program authorized by the Federal Water Pollution Control Act. Project planning and priority criteria have been developed by the department.

*B. Project information*

1. The department of health has on file a backlog of applications submitted by communities under the Federal Water Pollution Control Act. These projects are being evaluated for possible financing through the Appalachian program.

*Section 214. Supplements to Federal grant-in-aid programs**A. General programs and plans*

1. In addition to the general programs and plans already described, the State is now preparing the statewide recreation plan required by the Land and Water Conservation Fund Act. The State planning board is coordinating the preparation of the plan, which is scheduled for completion in the summer of 1965.

*B. Project information*

1. No specific projects for financing under this section have yet been determined. Some inquiries have been received, and are now being evaluated.

2. State agencies responsible for the administration of the grant-in-aid programs to be authorized for supplementation will be encouraged to develop project proposals for Appalachian financing as a part of their regular program and project development activities.

*Section 302. Grants for research and demonstration projects**A. General programs and plans*

1. The Governor's council of business and industry and council of science and technology have prepared reports which recommend specific research and demonstration projects to stimulate the economic development of Pennsylvania.

*B. Project information*

1. Pennsylvania is now developing proposals for research and demonstration projects which may be eligible for financing through the Appalachian program.

*Estimated Appalachia program funds*

[Dollar amounts in millions]

Program	Estimated Appalachia bill 2-year authorization	Estimated 1st year appropriation	Estimated 1st year amount for Pennsylvania	Proposed Federal-State matching formula	Estimated State funds required and notes
Highways	\$840 (5 years)	\$90.0	\$16.0	70-30	\$6.9 million from motor license fund.
Demonstration health facilities: Construction and equipment	\$41	15.0	.8	80-20	\$0.2 million from general State authority.
Operation	\$28	None	.8	100-0 1st 2 years	Money to landowners; State not involved.
Land stabilization, etc.	\$17	8.5	None	80-20	
Timber development organizations	\$5	1.5	None	Loans to timber development organizations; none now planned in Pennsylvania.	
Mining area restoration: Sealing and filling voids					
Underground mine fires					
Nonburning culm piles					
Strip-mine restoration: Bureau of Mines	\$36.5	19.0	18.0	75-25	\$6.5 million includes engineering and regular State program; General fund.
Fish and Wildlife			None	75-25	Pilot project now proposed in Kentucky only.
Forest Service	\$1.5	.6	None	100-0	Work in national forests only.
Burning culm piles	\$0.75	.4	.5	100-0	None.
Mine drainage pollution	\$1	.5	(1)	100-0	Do.
Strip-mine study	\$0.75	.75	(1)	(1)	(1).
Geological survey	\$1.25	.5	(2)	Probably 100-0.	None.
Water resource survey	\$6	2.5	(2)	100-0	(2).
Water resources projects	\$36 (1 year)	36.0	14.0	Sliding scale—No State money involved except for building subsidies.	Construction by Corps of Engineers.
Vocational education buildings	\$16	8.0	1.0		
Sewage-treatment works	\$6	3.0	.9	Grants to municipalities. No State construction funds involved.	
Supplements to grants-in-aid (for construction only)	\$90	45.0	12.0	80-20 maximum for grants to State and local agencies. Most projects will be financed with local matching funds, not additional State funds.	
Research and demonstrations	\$2.6	1.8	.5	100-0	None.
Total		233.05	64.98		

<sup>1</sup> Study to be done by the Department of the Interior.<sup>2</sup> Study to be done by Corps of Engineers.

NOTE.—All amounts are estimates, based on best available information, Feb. 4, 1965.



Mr. JONES. We have various witnesses with us today. We have Senator Randolph who has been up and down Appalachia so long he became its pilot. He steered the bill through last year, and again this year of course the two Committees of Public Works of the respective bodies have worked cordially, very understandingly.

Senator Randolph, it is always a pleasure to have you at the table, but we have from West Virginia on our committee Mr. Kee, and if he fails to perform, we are going to send a report card to you.

**STATEMENT OF HON. JENNINGS RANDOLPH, A U.S. SENATOR FROM  
THE STATE OF WEST VIRGINIA**

Senator RANDOLPH. Mr. Chairman, I presume I am to make response to what you have said. I had not intended to inject any thought into this hearing.

I was privileged to be here last year with the then Governor, and I am privileged today to be with the new Governor, Hulett C. Smith, of West Virginia.

I am very happy that Representative Kee is a member of the Public Works Committee.

I recall it was my privilege to serve in the House of Representatives with the father of James Kee, also to serve with Mrs. Kee, the mother of James Kee. We have here a unique situation, and I am sure that he will carry on in the heritage of his parents in the constructive programs to which they lent their efforts.

If I might be allowed just one moment, and that is all, it would be to further clarify, if that is the correct word, the statement made by the distinguished Governor of Pennsylvania with reference to the appropriate inquiry Representative Cramer posed with reference to the cost of the so-called access roads.

It was not without the most careful study that the additional 500 miles was arrived at and added to the 500 miles contained in S. 2782 of last year. It was after the States themselves had made a restudy of this situation. There are some States within the Appalachian region where we can build compact gravel roads, which are access roads, for approximately \$27,000. It will run above that figure of course in many other States, but it was on the basis of the information which came, Representative Cramer, as you well know, from the highway departments of the States involved, and it was not a figure that was a cursory one.

I think this is important to note because of the attention that you focused on the matter here today.

I am very privileged to join with Representative Kee and Representative Hechler, who is also present here today under your chairmanship, in welcoming, if I may use that term "welcoming," Governor Smith to the witness stand.

His new administration, I am sure, will be characterized by not only his knowledgeability on this subject but his very real efforts, joined with his administration and the members of the legislature, to meet the demands which will come to the State of West Virginia if this program in its part is to be fruitful.

Mr. JONES. Thank you, Senator.

We are very pleased to have Governor Smith. Governor, on behalf of the committee, we welcome you here today, and certainly as the Senator stated we know of your interest and the devotion you have given to this subject, which makes us all the more anxious to have you with us today.

**STATEMENT OF HON. HULETT C. SMITH, GOVERNOR OF THE STATE  
OF WEST VIRGINIA**

Governor SMITH. Thank you very much.

Mr. JONES. Before you proceed, Governor, I would like the record to disclose that we have present today Members of the House, Mr. Taylor of North Carolina and Mr. Hechler of West Virginia. Mr. Everett, even though he is not a member of this subcommittee, is a member of the Public Works Committee, and he too is present.

Mr. Taylor is here as a representative of the Governor of North Carolina, and we expect to hear from you at the conclusion of the testimony of the Governor of West Virginia.

Governor Smith.

Governor SMITH. Thank you very much, Mr. Chairman. I am pleased to be here today.

It is an honor to appear before this committee because this measure is tremendously significant to West Virginia, and I am greatly encouraged by the prompt action that your committee has demonstrated in scheduling hearings on a vitally important measure, the Appalachian Regional Development Act of 1965.

It is my privilege to urge the committee to take rapid and favorable action on reporting this bill to the House floor, and to support its early adoption by the House and enactment into law.

I think it is proper at this time for me to state it is my policy—and it shall be the policy of the State of West Virginia during my term as Governor—to put this program into action as rapidly and as effectively as possible.

I know our chairman is a resident of Alabama, which lies partially within the Appalachian Range, and I am sure that you are well aware of some of the acute and persistent problems affecting this region of the Nation.

I also am pleased to note the presence on this subcommittee of my close friend and your newest associate, Congressman James Kee of West Virginia. Jim Kee has a long record of public service that has acquainted him intimately with the problems of Appalachia, and I know that his counsel and advice will be very helpful to this committee.

Mr. Chairman, I believe that we are about to win the approval of a program for Appalachia. There is a sense of victory in the air—victory in a long and difficult struggle that began 4 years ago, when the Conference of Appalachian Governors first was convened and began the struggle to focus the Nation's attention on the problems that are unique to our eastern mountain range.

As I recently told your distinguished counterpart in the Senate and our own senior Senator, Jennings Randolph, when I testified in a similar capacity before his subcommittee, I do not believe this bill would have come into being without an unusual degree of State co-



operation led first by the Appalachian Governors Conference. It is now our duty to complete the task they started, and we hope we can obtain swift congressional approval, and the signature of the President, and when this is done it is just the beginning. It is necessary that the 11 Appalachian States and the Federal agencies which are involved must move immediately to forge a smooth and effective team relationship, so that the actual work of this cooperative undertaking can begin at once.

Steps in the right direction are now being taken. Acting under Presidential directive, the interim planning agency is maintaining a constant and continuing dialog with the several States on the ways and means to start an action program before the ink of the President's pen is dry on this bill.

In the States themselves, efforts are beginning to take form to identify the programs and projects which can be started at the earliest possible date.

West Virginia, at this moment, is undertaking a total inventory of the projects which might begin in a reasonably short time, and which would give the greatest forward thrust to the economic development of the State.

I want to emphasize this matter of economic development and the restoration of economic vitality to the Appalachian region, because this is the principal reason for the existence of this program.

The national economy is healthy, and moving forward at an unprecedented pace. The Appalachian States, which have made vigorous efforts to solve their own problems, are not removed from this general well-being.

But difficult problems remain.

The age-old struggle for good transportation and communication systems in a rugged geographic area continues to plague us.

The scars of decay and decline, which characterized our region during the postwar era, still are graphically evident in too many places.

Too many communities, with a real desire and incentive to help themselves and redevelop their economies, are hampered and, indeed, often frustrated, because of the lack of good public facilities, roads, and a better capital base.

Too many of our people remain in need.

Too many of them lack the education to make them productive and employable.

Too many of them live on less-than-adequate incomes even when they cannot be classified as unemployed.

Too many of them do not have access to decent health services and skilled doctors.

These are a few of the problems that are still with us.

This is the legacy of neglect—an inheritance of the dreadful problems which we faced in the 1950's.

This is why the slightest downturn in the national economy probably would be felt first and would hit hardest in the Appalachian region.

For it has been said that "when the national economy sneezes, West Virginia gets pneumonia."

It is imperative that we act now, during a time of great national prosperity, to provide West Virginia and all of Appalachia with the tools to enable us to catch up with the rest of the Nation.

If Appalachia can succeed in this catching-up process of economic development, then the whole Nation's economy will benefit.

Unemployment compensation payments will decline. So-called crash programs of assistance will not be necessary. The lines of people waiting to receive surplus food commodities will shorten, and finally disappear, welfare payments from the Federal Government will taper off.

Appalachia will become a fully self-sufficient member of a Great Society—the most prosperous nation on earth.

This bill is one means to that end.

For that reason, it has my support. It ought to have the support of every American, because it is a good investment in our country's future.

This bill is the result of great study, long effort, and it represents the thoughts, ideas, and philosophies of a great many people.

I was present when this Appalachian Commission first started in April 1963. For a period of time I served with the men who started drafting the Appalachian program, and there is not a single section of this program I cannot accept, because every portion of the legislation holds promise of benefits to West Virginia and its people.

But I believe it could be made better, and thus do its job more efficiently. Therefore, I respectfully would like to propose more alterations which seem to have great merit.

I have just returned from the other side of Capitol Hill, where I testified before the Senate Committee on Labor and Public Welfare in favor of the Elementary and Secondary Education Act of 1965.

This is consistent with the guiding policy of my administration—to put education first and foremost among our objectives.

But if the problems of education are first in West Virginia, then the problems of roads are equally as important.

The proposed Appalachian bill has been revised to allow the construction of 1,000 miles of new access roads, instead of the shorter system contained in the bill you considered in 1964.

This is a desirable addition, and I am fully aware that it would provide its major benefit to States which do not fare as well as West Virginia in the allocation of the basic highway network. West Virginia would hope, of course, to obtain some portion of this access mileage.

I also am concerned with the mining restoration section of the program and, in my testimony before the Senate, I proposed expansion of this section to encompass a full-scale inventory of all the mineral resources of Appalachia and their potential for economic development of the region.

The Senate committee did not adopt this suggestion but did add an additional \$15 million to enlarge the scope of coalfield reclamation activity. I applaud their action and trust that the House may accept this revision.

In view of the Senate's action, I still would like to propose one refinement in section 205.

The present bill enables an immediate program to extinguish underground- and outcrop-mine fires. Control of these fires certainly is commendable because it will help to stop the senseless destruction of priceless coal reserves and eliminate health and safety hazards.



But this bill needs to be amended to permit us to undertake similar action on the burning coal mine refuse heaps which pollute the atmosphere and mar the beauty of our countryside. These "gob piles," as they are commonly known, often burn for years. Until recently, they were regarded as almost uncontrollable.

New techniques, however, have given new hope for controlling these smelly and obnoxious fires.

A technique developed in recent months has proved highly successful. It not only puts out the fires; it also reclaims the coal particles which feeds these refuse piles.

Five hundred of these "gob piles" are now burning in the United States. Two hundred and eighteen are in West Virginia and virtually all of them are in Appalachia. Some have been burning for more than 50 years and all of them smell like Hades.

I hope we might see this bill include the means to begin efforts to put out these miserable mounds of smoldering fumes, just as the bill presently permits an attack on underground fires. I hope that your committee will give this concept its attention.

Finally, I want to speak of a serious problem not covered by this bill, and perhaps not proposed to be included in this act, but yet—

Mr. JONES. Governor, I do not want to interrupt you but I might add at this point, as I have pointed out to other witnesses, that problem is being considered by the Bureau of Mines, the Department of the Interior and, I think, they are trying to attack the problem on a broad front. It is, therefore, not as conclusive in their findings so far as they would like it to be and the reports have been withheld until such time as they feel findings will be substantial. That is my understanding.

Governor SMITH. Thank you very much, Mr. Chairman. I appreciate this information and we will certainly follow this matter along with you. I know you are interested in this problem, too.

Mr. JONES. The whole problem is vested in so many departments and agencies of the Government it is hard to corral them all and put them into one bunch but that is being done.

Governor SMITH. Thank you, sir.

Mr. JONES. Or so I am informed.

Governor SMITH. As I was saying, there are virtually no provisions for the construction of new public facilities to make life decent and attractive; to lure new industry to a community; or help it to increase its tourist traffic.

I concede that some types of public facilities can be constructed under certain sections of the bill. For example, sewage treatment facilities can be built under section 212.

This section provides \$6 million for such facilities in all of Appalachia. The total inadequacy of this figure is borne out by the fact that, in West Virginia alone, we have more than \$5.5 million in sewer facility applications pending from the APW program.

There is no money at all for water systems, sewer interceptor lines, street paving, parking facilities, and conservation projects—items that are gravely needed by the Appalachian region.

West Virginia communities still are left with more than \$25 million in pending applications for accelerated public works assistance. I am sure that there are many pending projects in your home State, Mr. Chairman.

Public facilities are such an urgent need that I believe any Appalachian regional development program would be incomplete without some provision in this respect.

I would prefer to see the APW program renewed for the entire Nation. But reality makes us concede that the chances for such a program this year are not bright.

Therefore, I propose that \$100 million in new and immediate obligational authority for accelerated public works be written into the bill by this committee and be approved before this session of Congress adjourns.

With the possible exception of the highway system, no program is so important to Appalachia. I implore this committee to give my proposal serious attention.

These suggestions which I have respectfully offered would make the Appalachian Regional Development Act a better program; more responsive to the needs of the area and its people. I commend them to your consideration.

And on that note, and with full confidence that this committee will give top-priority consideration to this bill, I close my remarks with my thanks to you, Mr. Chairman, for the opportunity to appear before you to state our case for a promising and progressive program for the Appalachian region.

Mr. Chairman, and members of the committee, West Virginia supports fully and completely the bill before your committee at this time.

Mr. JONES. Thank you, Governor. I can inform the people of West Virginia that you are a great advocate and certainly the testimony you have submitted to us today, I assure you, will be very helpful to the members of this committee.

I note the fact that you are going about a lot of these program which are in the Appalachian bill now but what you are hopeful of is exceeding those programs and accelerating them to meet these pockets of distress.

Governor SMITH. I think, sir, what I had in mind is: Things have run right along with the Appalachian program and, if they can be added to or dovetailed, we are going to get a much stronger economic development program in Appalachia and, perhaps, it will also benefit other parts of the country when they become authorized.

Mr. JONES. I heard Senator Randolph last year at the time he made the statement that this was a long-range program; one that goes to the heart of the problem and the fundamentals of the problem. He stated that this program can be brought about in such a fashion that it will encompass the whole community effort and State effort.

I think that is one of the major aspects of this whole bill and I think you also pointed that out today.

Mr. Kee.

Mr. KEE. Mr. Chairman, I would like to join you in welcoming and highly complimenting Governor Smith for his excellent presentation today.

I would also like to point out, if I may, sir, that the Governor is extremely fortunate in that he has a very charming lady—one of the most attractive ladies in the State of West Virginia—as his wife, and Mrs. Hulett Smith is in the audience today.

Would you like to stand and take a bow?



Mr. JONES. If you stand, please don't bow [laughter] Mrs. Smith.

Mrs. SMITH. I will sit.

Mr. JONES. We are delighted to have you.

Governor, it is a pleasure to have had you with us.

Governor SMITH. Thank you.

Mr. CRAMER. Mr. Chairman, may I ask one or two questions?

Mr. JONES. Yes.

Mr. CRAMER. In the light of the chairman's suggestion, it is rather difficult for me to pose a number of questions I was going to pose. I will try to save as much time as possible. There are several things, though, that I would like to have clarified which relate to West Virginia.

No. 1, could West Virginia provide the same information I requested of the other Governors?

Governor SMITH. Yes, sir.

Mr. CRAMER. That is, what you anticipate your expenditures in programs will be under the different sections of the bill and costs thereof.

Governor SMITH. Yes, sir.

Mr. CRAMER. That will be very helpful.

What would be the attitude of your State relating to the Kennedy amendment concerning the 13 counties in New York?

Governor SMITH. Looking at the amendment, it would be similar to the thought expressed by Governor Scranton, that when the basis is determined, as I see by the Commission having the right of determining the requirements and the ability of these areas to be a part of this program, I can see if they meet the same problems we have in West Virginia, West Virginia would have no objection to the inclusion of certain counties in New York which might be needful of this help.

Mr. CRAMER. Would you object to an approach on the basis of an approach of the Commission recommending to Congress what its attitude would be, and let Congress decide whether or not to add the counties and, if so, how many, as we are doing in this act?

Governor SMITH. I would think that the judgment of the Commission might be applicable at the time, although I have no objection to that type of change being added.

Mr. CRAMER. I understand you are a newly elected Governor of West Virginia.

Governor SMITH. Yes, sir.

Mr. CRAMER. Did you have a capacity in the previous planning of this legislation?

Governor SMITH. Yes, I did, sir, in the early stages of it in 1963, but I was out of the political arena from that standpoint in the year 1964 when most of the planning was done on this act.

Mr. CRAMER. If you had an opportunity to recommend, would you recommend that the Federal Government have a veto power in this Commission setup? Is that your choice, as the Governor of the State of West Virginia, or do you think he should have equal voting rights with the States?

Governor SMITH. Sir, as pointed out to me, this was arrived at after considerable discussion and great thought by the various members of the interim Appalachian Commission as a means of providing

a compromise, recognizing the fact that the bulk of the money was being furnished by the Federal Government, and at the same time there was an appropriate State veto put in under section 222, which enables them to offset certain parts of it, so I believe it is equally balanced in the proposal that now sets up the committee.

Therefore, I think it is probably the best method that could be arrived at at this time.

Mr. CRAMER. Your analysis is if the States recommend no single State can veto, but a single Federal representative can.

In section 214 I notice you suggest, on page 7, there should be an additional APW authorization. That would be about the way I have described this \$90 million supplemental fund contained already in section 214. Would you agree that is already in the bill?

Governor SMITH. I think it is, part of it, because certainly this fund would be able to help and aid, as I understand it, the various programs that fit in this that would be allocated as necessary, but I would think, although I don't propose it as proper or germane to this act, that there should be additional accelerated public works programs considered by this Congress and at a later date given consideration.

Mr. CRAMER. You mean applicable to the entire United States?

Governor SMITH. Applicable to the entire United States, yes, sir.

Mr. CRAMER. Of course that is the feeling of some of us with regard to this total act; we think if they are going to do it, they ought to make it applicable to the entire United States and not on a regional basis.

Mr. JONES. The only difficulty we have with Mr. Cramer's suggestion is we could not get him to go along on APW.

Mr. CRAMER. APW was not the approach. There are some things in this act which would be acceptable. I have a little difficulty in that Florida is not in it and never will be.

I will shorten my questions in view of the quorum call.

The State of West Virginia received, as I recall, a few years ago about 360 additional miles in the Interstate System, did it not?

Governor SMITH. Not that much, sir. Over a period of 2 or 3 years, it was almost that amount. It was 180 miles in 1961, and then there was some in the previous administration, something like 89 or 90 miles that was allocated in 1957 or 1958.

Mr. CRAMER. Has the State gotten its tax structure in condition where it can pay its matching share of all available highway funds now?

Governor SMITH. Mr. Cramer, the State of West Virginia passed a bond issue of \$200 million at the last general session for its matching requirements, which is enough to meet immediate needs and also to take care of its proposed obligations under the provisions of this act.

Mr. CRAMER. How much is proposed to be used for the present program, and how much for the new program?

Is that \$200 million all for highways?

Governor SMITH. It is all for highways, and only for highway construction. These programs that we have proposed under the Appalachian program have been fitted into the funds that are going to be made available under that bond issue, so they will take care of it.



Mr. CRAMER. What is the breakdown? How much is for this program?

Governor SMITH. Sir, I do not know the exact details, but we have \$40 million that will be made available during the coming year which will enable us to have matching funds for this year. We expect to get 16 or 18 miles of this underway and to catch up annually with the funds that are provided under the bond issue, and this will be determined to match whatever is necessary to be done so this program, which has a 5-year run, will be able to match the other, and also be able to take care of the Interstate System, which has a 10-year run.

Mr. CRAMER. As I understand it, West Virginia has 437 miles estimated; \$235 million would be required solely to match this program.

Governor SMITH. Is this program not on a 70-30 program?

Mr. CRAMER. I am glad you mentioned that. The act says 50 percent except under special circumstances, and it has been my impression that most of the planning has been on the basis of going ahead and using 70 percent, regardless of the fact that Congress says 50 percent except under special circumstances.

That appears to be the attitude of most of the people who have appeared; they expect to get 70 percent, even though the Congress says 50 percent is the basis.

Even if you received 70 percent, your State costs would be about \$135 million. Is \$65 million enough to do the rest of your highway matching program?

Governor SMITH. We feel it will be available as it moves along, because there are other funds becoming available. This \$200 million is not all the funds which are available; this in addition to our regular highway program.

Mr. CRAMER. I understand that, but up to this time you were not able to match your funds.

Governor SMITH. Yes; however, we will be caught up with the Federal funds as far as the program is concerned on the Interstate System, as well as on the ABC, and we anticipate the funds becoming available from regular or general revenue and highway users' taxes in West Virginia, plus the proceeds from the issuance of these bonds, which will enable us to meet the requirements for orderly construction of this road program outlined in the present bill.

Mr. CRAMER. That is all I have, Mr. Chairman.

Mr. CLEVELAND. I have just one question.

Mr. JONES. Yes, Mr. Cleveland.

Mr. CLEVELAND. The Governor of your State testified before this committee in reference to the period 1961-64 that it "has been one of great economy recovery for the State, with a new peak of cooperation reached between the people and all levels of government."

He then cited the fact:

Unemployment, which stood at 105,000 in 1961, has been gradually cut down to less than 60,000 early in 1964. We have beautified and cleaned up the State to make it more attractive to new industry and tourists—and many new plants and a great increase in the tourist trade are the results. We were the first State to institute a State work and training program—providing for both the dignity of the individual and means of earning a living—to thousands of unemployed fathers, and this program has been so effective it is being recommended as a model to other States.

That is the quote. Then the committee cites the fact:

The value of private building contracts for industrial plants in West Virginia awarded during 1962 was \$119,500,000—about 4.7 percent of the U.S. total of such contracts. This is significant in view of the fact that the population of West Virginia is only about 1 percent of that of the United States.

This statement was made last year, but I would like to ask you if you feel that statement was true last year, and that this resurgence is continuing under your administration?

Governor SMITH. That statement was true last year, and the same situation is going on at the present time. There has been some increase in unemployment because of seasonal factors, but generally the unemployment picture is remaining constant. We have stabilized our outmigration of population. There are still a lot of things to be done, and the greatest handicap we have now, of course, to further growth, is the need for development roads and a better educational program, and both these have been attacked by my administration, and the previous administration, by providing more funds through increased sales taxes in West Virginia to aid in the educational program.

By the passage of the bond issue, we are attacking the road program, so the combination of these two, with the assistance we hope will come under the Appalachia bill, and the other bills of Federal aid we have been working with, hopefully we will be enabled to continue this growth.

Mr. CLEVELAND. Thank you. That is all, Mr. Chairman.

Mr. JONES. Are there further questions?

Again, thank you, Governor.

Governor SMITH. Thank you very much.

Mr. JONES. Next we have the representative of the Governor of North Carolina, Dan K. Moore, who is represented by our distinguished colleague, Mr. Basil L. Whitener, who will make a statement in behalf of the Governor of North Carolina.

#### STATEMENT OF HON. BASIL WHITENER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA

Mr. WHITENER. Mr. Chairman and members of the committee, Gov. Dan Moore of North Carolina asked that I present his statement to the committee today and say to you that he regretted so much it was not possible for him to be here in person.

Mr. JONES. You do not have to make any apology for the Governor so long as you are the representative.

Mr. WHITENER. Thank you, sir. I think I should explain to you that you are deprived of his presence because of the necessity of his addressing the legislature today, which opened this week in the State of North Carolina, and he just could not be here. But I will read his brief statement.

(Governor Moore's statement follows as read by Mr. Whitener:)

The Appalachia Regional Development Act of 1965, H.R. 4, presents a challenge, an opportunity, and a responsibility. The challenge is the goal of the program as stated by the President's Appalachia Regional Commission:

"The introduction of Appalachia and its people into fully active membership in the American society."



The opportunity is the approach: A true local-State-Federal co-operative endeavor to provide the region with the investments and the tools with which to achieve the goal. The responsibility is that of effecting these new programs within the greater context of continuing State government.

Appalachia is a region where economic growth has lagged behind the rest of the Nation. While geography has been a deterrent to full maturity of the region, at the same time it presents us with great natural potential. But this potential can only be achieved when accessible. The accessibility is essential to the economic development program embodied in the bill.

Our country's history of economic development is eloquent testimony to the fact that economic activity is stimulated by routes of transportation providing access and interchange among the various centers of production, consumption, and recreation. The rugged geography of the Appalachian region creates tremendous transportation problems in addition to much higher construction costs. As a result, Appalachia is not readily accessible, which has led to a lack of economic development.

Highway building proposals contained in H.R. 4, both for developmental highways and a system of access roads, strike at the heart of the problem.

These will go far in overcoming the regional isolation in Appalachia and will supplement the basic transportation system of the State. Once these highways are provided and other capital improvements permitted under this act are available, the region will have the tools needed to achieve the goal of economic partnership in the American economy.

As I said before the Senate Public Works Committee, the people of the Appalachian counties are not to blame for their predicament. They are resourceful, self-reliant and courageous. They have worked hard and have accomplished much. They have never wavered in their determination to rise economically. It has frequently been discouraging.

I am a native of the Appalachian region of our State and know firsthand the problems and potentials of the area. We have too often seen the fruits of the new industrial revolution bypass us—but not for a lack of effort. In fact, the leaders of the western counties of our State have been most active in attempting to solve their own problems. The Western North Carolina Associated Communities, the Western North Carolina Regional Planning Commission, and the Northwest North Carolina Development Association have been very active and effective in this regard.

But our experience indicates that major capital expenditures are needed to stimulate the region. The combined efforts of all levels of government must be focused on this—and this the Appalachian Regional Development Act of 1965 proposes to do.

I endorse H.R. 4 as the means to achieve the goal of economic development in the region and appreciate the promptness and efficiency of Congress in handling this bill.

That is the end of the Governor's prepared statement.

Thank you very much, Mr. Chairman.

Mr. JONES. You tell the Governor he vested himself in a good representative when he let you come before the committee.

Mr. WHITENER. I certainly appreciate that, but I certainly would not hold myself out as an adequate representative of our distinguished Governor.

Mr. CRAMER. May I say I agree with the chairman in complimenting the distinguished gentleman from North Carolina as being a very distinguished member of the Judiciary Committee, and well able to represent the State of North Carolina before this committee.

Mr. JONES. Mr. Everett is with us today, as I indicated earlier, for the purpose of introducing the representative of Gov. Frank G. Clement of Tennessee.

Mr. EVERETT. Thank you, Mr. Chairman. To save time, as there is a quorum call on, it is my pleasure and honor to present Mr. Harlan Matthews, who is the commissioner of finance and administration of the State of Tennessee.

We likewise have a State legislature in session and the Governor is detailed there, and Mr. Matthews is just going to file the Governor's statement for the record, and I will certainly appreciate it.

Mr. JONES. Mr. Matthews, you have come a long way, and you are going to be given every consideration. Mr. Everett says you would like to file the statement. Is there anything you would like to add?

#### STATEMENT OF HARLAN MATTHEWS, COMMISSIONER OF FINANCE AND ADMINISTRATION, STATE OF TENNESSEE

Mr. MATTHEWS. No, sir; there is not, Mr. Chairman.

I would like it if you would permit me to say just a word. I have the Governor's statement here with me. It has been furnished to the committee, and he had hoped very much to be present himself.

Mr. JONES. Mr. Matthews, let me say this to you: we have an extraordinary circumstance we did not anticipate, and certainly it is not the desire of the chairman or the members of the committee to cut you off.

Would you care to remain over until tomorrow and come back before the committee?

Mr. MATTHEWS. I would be happy to if the committee would like that.

Let me say simply in view of the circumstances, Tennessee finds this bill completely acceptable and we are in full support of it. The Governor has been both a participant and a supporter of the bill.

Mr. JONES. Thank you. As I say, we will welcome you tomorrow if you can be here. We are not going to let the Volunteer State down.

Mr. MATTHEWS. I will file the statement with the committee and leave it to the committee's discretion. If I may be of service, I will be delighted to come.

Mr. JONES. Thank you very much.

Mr. MATTHEWS. Thank you very much.

(The prepared statement of Governor Clement, of Tennessee, follows:)

#### TESTIMONY OF FRANK G. CLEMENT, OF TENNESSEE

Mr. Chairman, members of the committee, my name is Frank G. Clement, Governor of the great State of Tennessee.

I wish to present testimony, for the record, in support of H.R. 4, the Appalachian Regional Development Act of 1965. It was my privilege to testify and make Tennessee's position known last year before appropriate congressional



committees, and again this year, on January 19, before the Senate Public Works Committee.

Mr. Chairman, Tennessee supports the President's Appalachian program. It will become a "vehicle" for 11 States jointly with the Federal Government to lay the foundation for economic development, to provide the base for creating job opportunities in order that all of our citizens can partake of the affluent society.

Tennessee is conscious of its regional interdependence with surrounding States. We have had firsthand experience with the Tennessee Valley Authority in developing the water resources of the great valley. Just as highways and water resources cannot terminate at any State line, problems of low income and unemployment cannot be confined to sections of any 1 of 11 States. We feel that only by a joint local-State-Federal effort can problems common to Appalachia be dealt with.

In hearing testimony before this committee about this region called Appalachia you have no doubt become aware of the physical, economic, and social characteristics which unite this area in contrast with the Nation, and which contrasts internally in Tennessee between the urban and industrial growth of the great valley and the underdeveloped resources of the hills, the mountains, the upland valleys, and the tributaries.

But just as the people of the growing metropolitan areas within Tennessee's Appalachia—Chattanooga, Knoxville, the tricities—realize that their destiny depends on the total development of their region, the State of Tennessee realizes now and has always realized that the development of this area in Tennessee depends on the total development of this region, from Pennsylvania to Alabama and from Ohio to Georgia.

It was decided once and for all with the establishment of the National Public Health Service as a necessary and proper interstate function decades ago that bacteria do not respect State lines. The same is true of dollars, the symbol in our market system of economic development. Private investment goes where the prerequisites are met, where the transportation access is good, the water is harnessed for human use, the natural resources are readily available, the surrounding market is growing, the basic community facilities are available, and the labor force is suited for the productive process.

But what would happen if one State in Appalachia were to develop its highway system to the State line but nothing were on the other side? What would happen if one State in Appalachia were to place a dam on one of its rivers but it were left to run wild upstream just across the State line? What would happen if one State tried to develop a regional market center in one of its Appalachian cities but the economy of the communities across the State line remained stagnant? What would happen, to borrow again from our health analogy, if one State were to develop excellent health facilities for diagnosis and treatment but across the State line the health needs of the people were totally ignored? What would happen if a State tried to promote its tourist attractions but there were no parkways between it and the large out-of-State urban centers, whose people flow by the millions to such attractions?

And, finally, what would have happened to the United States of America if our Founding Fathers had not had the courage to recognize that the rigid colonial boundaries of the Articles of Confederation had to be erased before real progress could be made for the new Nation?

Happily for Tennessee and this Nation, we do not have to answer these questions I have just posed. For before this committee is a legislative act which embodies the cooperative spirit of federalism in tackling the common problems which are found in this region called Appalachia, in harnessing underdeveloped resources and laying the groundwork for total development.

No State in Appalachia is to be left hanging at the State line. This is a program which aims at meeting the mutual felt needs of all the States which lie wholly or partly in Appalachia. We in Tennessee approve of the program which is presented to you in the sections of this legislation and embodied in the report of the President's Appalachian Regional Commission. Further, we in Tennessee feel that it connects brilliantly with many of the efforts which we have made in the past and attacks comprehensively many of the problems with which we have struggled in the past.

The capstone of the whole program, of course, is the creation of the joint Federal-State Appalachian Regional Commission to provide leadership, planning, and coordination. This approach has been successful in formulation of the program that is now before you; it will be successful in executing the intent

of Congress if this program is approved. Leaders from all areas of developmental concern in our State—from communities in all geographical sections of Tennessee's Appalachia have followed closely the work of the President's Commission. We believe this is an indication of the kind of support and involvement that the joint Federal-State approach will bring in Tennessee. My personal involvement in the deliberations of the President's Commission with concerned persons from other States and the interested Federal agencies has convinced me that this approach is sound in theory and sound in practice. We in Tennessee intend to pay our share of the costs and to contribute our share of the effort to make this approach successful.

Each of the "special Appalachian programs in this act," we feel, has applicability in Tennessee and we are anxious to make every effort in its success.

The developmental highway system is essential for opening up this region.

The rugged terrain and vast rural open space of large areas of this region in Tennessee need to be connected to the major highway networks. We are particularly concerned about the Tennessee "highway gaps" identified in the President's Appalachian Regional Commission report: to the southeast adjoining Georgia and North Carolina; to the northeast adjoining Kentucky and Virginia, and connecting with West Virginia; and in the Cumberland Plateau area of Tennessee. Each of these areas is being given the kind of compensatory development highway emphasis in this program which we feel is the backbone of this regional development program. In addition, assistance with our growing State access roads program will contribute to new industrial sites, new school consolidations, new livestock and timber markets, and new recreation areas.

Despite a strong effort in Tennessee to establish local health offices in every county, rugged terrain, rural isolation, and small local budgets have cut off some of the people from adequate health care. The possibility for creation of multi-county demonstration health facilities under section 202 will be a major step toward local governments providing the kind of services needed.

Much of Tennessee's Appalachia farmland is going through agricultural revolution in shifting from marginal cropland to more profitable pasturage, the key in many cases to rural economic survival. Section 203 is aimed at assisting this adjustment to market demand and optimum soil potential will be very helpful to balancing our agriculture.

Much of Tennessee's Appalachia is forested but in many cases these timber stands lack the quality and market organization to make them profitable. In many instances the know-how of good management is not available. Development highways and access roads will provide the transportation link; good forest management must make the resource worthy of being transported to market. The Department of Agriculture technical assistance program to timber development organization in section 204 will make this possible.

Each of the "supplementations and modifications of existing programs" also opens up new ways of intensifying development programs in this region where intense and comprehensive emphasis is needed to solve many of the hard-core problems.

Tennessee is presently establishing area vocational and technical schools serving subregions of the State. However, the construction of supplementary vocational education facilities closer to the homes of persons in the most isolated areas is crucial to eliminating the hardest core education and training inadequacies. Providing new funds for this purpose under the Vocational Education Act in section 211 is vital.

A community which has no sewage treatment facilities or inadequate facilities and which otherwise has a potential for development is prevented from becoming an industrial location and is frequently the breeding place for disease. Modifying the Federal Water Pollution Control Act in section 212 to expand grants for this purpose will enhance Tennessee's water pollution control program and eliminate this threat to health and curb to development in these communities.

The Tennessee Valley Authority in cooperation with State and local agencies has carried out some strip mine reclamation pilot projects in a few areas of Tennessee and surrounding States, but to reach hard-core areas with fish and wildlife restoration projects to upgrade the recreation potential of these mine-eroded lands will take the special supplemental effort provided in the act in section 205.

Tennessee has been a leader in the Nation in the field of comprehensive planning and is developing a comprehensive State and regional planning program. We recognize the need, therefore, for the Appalachian Regional Commission,



under section 213 of the act, to be eligible for comprehensive planning grants to aid in cooperatively expanding our regional planning programs so they connect across State lines and with national development needs as well.

Previous State and Federal efforts to assist the neediest communities in Tennessee's Appalachia and elsewhere in Appalachia have the basic bottleneck that some communities are so much in difficulty that they cannot pay the "down-payment" of financial sharing to participate in the very grant-in-aid programs which are designed to reach them. Section 214 provides the much-needed discretionary power to adjust the Federal share in these special cases to make the grant-in-aid programs, especially for vital community facilities, more useful to these localities where new job opportunities can be created.

And, finally, the creation of a Federal-State commission with the cooperative powers to assist basic development processes through planning, research, coordination, technical assistance, and financing provides the proper medium and means to make the program effective.

We in Tennessee join with our sister Appalachian States in this effort because we realize that we share a common problem and a common opportunity. We in Tennessee have participated in the efforts of the President's Appalachian Regional Commission because we realized that only as a cooperative effort of Federal, State, and local governments and peoples can the problems of Appalachia be solved and the opportunities of Appalachia realized.

We urge that this committee carry this effort a step further toward the achievement of our ultimate goal: the maximum development of our total society and the maximum participation in our society for all its people.

Mr. JONES. Representative W. Pat Jennings, of Virginia, it is a great pleasure to have you before the committee, and I am quite sure you have some interesting information to supply.

#### **|STATEMENT OF HON. W. PAT JENNINGS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA**

Mr. JENNINGS. Yes, sir.

Mr. Chairman, I appreciate this opportunity to appear before the committee and I am very much for the bill. I have introduced one myself, and that is what I want to testify to here in relation to that, and I appreciate the courtesies and considerations of every member of the committee.

I am a cosponsor of the basic program that is outlined in H.R. 4, the bill introduced by the chairman of this committee, and S. 3, the bill approved in the Senate earlier this week. My bill is H.R. 1708, which contains all of the provisions of H.R. 4 and S. 3, plus a few amendments that I shall outline in a moment.

I appeared before this subcommittee last year in behalf of the legislation being considered at that time. I favored the bill last year; I favor it today. My district's 12 counties and 2 cities are eligible for this program. We hope that final action will be taken in the Congress this year. We are appreciative of the President's efforts to bring about approval of this program. We are, as stated, grateful for your subcommittee's early attention to these bills.

My district is not only a part of the Appalachian region, but I have the distinction of also having the town of Appalachia in my district. The mayor of this town has consistently called for the approval of this legislation. The people of the community and the surrounding county are in agreement that we can benefit from the economic development that is proposed.

My district produces most of the coal mined in Virginia. The problems of these counties and communities are similar to those you have

heard discussed in eastern Kentucky and southern West Virginia. The report published last year by the President's Appalachian Regional Commission clearly states the case for this legislation to help these areas. I shall not dwell on the question of need. It is clear. We should move to meet it.

Virginia State officials, including the Governor, have endorsed the legislation you are considering. Especially, we are interested in the section to establish the Appalachian highway network and provide desperately needed access roads. The "developmental" concept on which the highway and road system will be based is one that I have long advocated. Provide the roads and there will be progress in these cities and towns and counties.

Let me now turn briefly to the provisions of the bills. As I stated, I favor the several sections of H.R. 4 and S. 3. If there are questions on these, I shall be happy to have them and will comment to the best of my ability and knowledge. I shall comment, then, on certain provisions in my bill and certain sections of special concern in all three bills.

I mentioned the highways, section 201. H.R. 1708 calls for the same amount of mileage as the other bills. However, the additional 500 miles than has been added since last year would be for other than the access roads. H.R. 4 and S. 3 would allocate the additional mileage for access roads. It is my belief that the region could best be served by more "through" or "developmental" highways.

U.S. Highway 23, which passes through a part of my district, was included in the proposed Appalachian Highway System last year. I have proposed the inclusion of another route that is of major importance to Virginia, West Virginia, and Kentucky, U.S. Highway 460. Further, I recommend that U.S. Highway 58 be considered as a part of the system. In this respect, I ask the subcommittee's permission to file for the hearing record a statement from the New River Valley Steering Committee on Roads, which is a Virginia organization heading the campaign to bring improvements to U.S. Highway 460 and have it included in the Appalachian System. I shall, of course, bring to the attention of the Federal Development Planning Committee for Appalachia and the Bureau of Public Roads all information relating to U.S. 23, 460, and 58. These are definitely routes that should be included in the system that will be designated when the legislation has become law.

I am strongly in support of section 207 of the bill, which relates to the water resources survey for the Appalachian region and the undertaking of more flood protection projects. Flood protection, next to roads, is among our greatest needs. I would hope the Corps of Engineers will propose this year that additional funds be appropriated for Appalachian region authorized projects that are favorable or near favorable under the existing benefit-to-cost procedures, and that construction can be undertaken as rapidly as possibly. I propose to communicate with the corps, and other agencies concerned with flood control, regarding the projects that are needed.

Section 205 of my bill is not included in the other bills. Titled "Coal Resources and Development," this section is patterned after the timber development section of last year's bill. It further recognizes the coal resources of the area as a prime asset and one that is deserving of



attention in this program. It would provide technical assistance in the organization and operation of coal development organizations having as their objective the carrying out of coal development programs to achieve improved coal productivity and an increased return for coal operators. There are, for example, hundreds of small coal producers in the Appalachian region that might, through this bill, consolidate their operations into more efficient management units to provide more and longer employment to thousands of workers. Coal production will continue to be a major source of employment in the region. It should be encouraged. It is my understanding an organization composed of small producers from throughout the region will present testimony on the needs in this area. It should receive the careful consideration of this subcommittee.

H.R. 1708's section 208 is an amendment that I proposed to last year's legislation. It would authorize the construction of the Allegheny-Cumberland Parkway from Harpers Ferry, W. Va., through areas of West Virginia, Virginia, and Kentucky (including the Breaks Interstate Park) to Cumberland Gap National Historical Park, which is located in adjoining areas of Virginia, Kentucky, and Tennessee. A survey of this parkway has been completed by the National Park Service but has not been published. It would provide a tremendous boost to the area's economy through construction, a major through route, and the opening up of great areas for tourism and recreation. I believe it merits the approval of this subcommittee.

I strongly endorse the bill's provisions relating to vocational education, sewage treatment works, and the supplementation of existing grant-in-aid programs. This latter provision, section 214, will help communities in providing their share of the costs for aided projects. Under the accelerated public works program, some of my communities wanted to secure a grant but could not provide the matching funds. Section 214 will help fill this need.

While I am on this subject of community projects, I would hope the House Committee on Public Works will find it possible to extend the accelerated public works program or provide a new and similar plan. This has been of great help to many of my communities and the Appalachian Regional Development Act, as now planned, does not fill the need for grants to help communities develop new water systems and carry out other needed and worthwhile projects. I bring this to your attention and urge that legislation be approved along these lines.

Because of your wish to expedite these hearings, I shall end my comments. However, I have not touched on some of the subjects included in my testimony last year. I am attaching to this statement for the benefit of the subcommittee members and not for inclusion in printed hearings, copies of my statement last year.

Again, I stress my interest and support of this legislation and my appreciation for your early attention to its enactment in this new Congress.

Mr. JONES. Thank you, Mr. Jennings.

Mr. JENNINGS. Thank you.

Mr. JONES. Our next witness will be Mr. Harsha, of Ohio, a member of this committee; you may proceed.

## STATEMENT OF WILLIAM H. HARSHA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Mr. HARSHA. Mr. Chairman, let me say at the outset that I deeply appreciate the work of this subcommittee and the opportunity afforded me to present my views on S. 3 and related bills, and may I also say that I have introduced H.R. 2209 which is in sum and substance practically the same bill as introduced by the chairman of the Committee on Public Works. However, my bill differs in two small respects from either S. 3 or H.R. 4. Nevertheless, Mr. Chairman, while I would prefer to see my bill enacted into law, I wholeheartedly support the enactment of the Appalachia Regional Development Act of 1965.

Mr. Chairman, there is a dire need for the passage of this legislation and I respectfully submit to this subcommittee that as a whole it is a worthwhile, realistic approach to the needs of the people and communities in the Appalachian area.

This bill is a program for physical resource development of the area and not the usual approach of Federal handouts. Its purpose is to assist the region in meeting its special problems, to promote its economic development and to establish a framework for joint Federal, State, and local efforts toward providing the basic facilities essential to its growth.

This measure, in contrast to the war on poverty bill, retains the historic concept of Federal, State, and local participation.

I believe in and have always believed in fiscal responsibility, particularly on the part of government, and I consider the provisions of this act to be consistent with these views. The additional funds which will be spent in Appalachia represent a positive investment in the region's economy. These funds will be used to build the types of facilities which can generate employment and economic growth. It is my hope and expectation that the kind of expenditures called for in S. 3 and H.R. 2209 will inevitably mean reductions in the enormous amounts of money the Federal Government now spends for public assistance in Appalachia.

Almost 6 percent of Appalachia's total population are receiving welfare payments as against 4 percent in the rest of the Nation, and the price tag for Appalachia has been running at almost \$500 million per year. As the President's Appalachian Regional Commission has aptly pointed out, the cost of welfare relief is high in these areas where the roots of free enterprise have been undernourished.

This bill will make Appalachia more attractive to industry, to recreation seekers, and to its own people through such provisions as the construction of sewage-treatment plants, restoring strip mined lands, and construction of adequate highways.

It has been said that this program creates highways looking for traffic rather than the usual approach of constructing highways to take care of existing traffic. I must agree in part with this, but this is one of the basic problems of the Appalachian area. It is inaccessible, in its present state, to industry and recreation seekers and it is because of this inaccessibility that many of the communities are not keeping abreast of the growth of the Nation.

In an effort to make it accessible to industry, recreation seekers, and others, this road construction program is greatly needed. Surveys



by industry and highway users have indicated that economic growth and industrial growth usually generate around areas readily accessible by highway and adequate roads, and it is for this reason that the road program was placed in the Appalachia bill.

Being near a good highway and access to markets are factors of increasing importance in the location of today's industrial plants.

Highways assist in developing new and vacant land, improve production efficiency because of better access to markets and are shaping the locational patterns of today's industry much as rails and water did generations ago.

The highways and access roads provided for in this legislation should enhance the industrial development of the Appalachia region.

Among the most sensible and most essential sections of this act are those which will provide direct benefits to the communities of Appalachia in the form of flood control works, hospitals, vocational education schools, and other necessary public facilities. Economic development at the local level has been difficult in Appalachia—not because the people lack either the desire or the know-how, but because they do not have sufficient financial resources.

Further, Mr. Chairman, I might add that the Governor of Ohio is deeply interested in the passage of this legislation and he and his representatives have conferred with me from time to time on this matter. The Governor is vitally interested in the welfare of the Appalachia region of Ohio and is doing all within his means and within the financial limits of the State to do what can be done to assist this area but because there is a limitation to the available State finances, all that needs to be done has not as yet been done and, of course, this legislation will help immeasurably to improve the situation in those counties in Appalachia.

I would further say, Mr. Chairman, that the Governor and his representatives have contacted me many times relative to my support of this legislation and have asked my advice and help in seeing that it pass, because as I have said earlier the Governor is deeply concerned with the welfare of the citizens in those counties which comprise Appalachia, Ohio.

I appreciate the time the committee is taking with this problem and I appreciate the committee's courtesy in extending me an opportunity to express my views in support of this legislation and I do hope that this subcommittee in its wisdom will have the good judgment to approve this much needed, worthwhile legislation.

Mr. JONES. Thank you, Mr. Harsha.

Mr. HARSHA. Thank you.

Mr. JONES. The other statements on behalf of the Governors will be made a part of the record after being properly identified by the clerk.

Mr. McNEAL. I will submit for the record a telegram from the Governor of South Carolina, a statement from Governor Harrison of Virginia, the statement of Governor Sanders of Georgia, the statement of Governor Brethitt of Kentucky, a telegram from Governor Rhodes of Ohio, and a statement of Carlton R. Sickles of Maryland.

(The documents follow:)

COLUMBIA, S.C., *January 29, 1965.*

HON. ROBERT E. JONES,  
*Chairman, Ad Hoc Subcommittee on Appalachia,*  
*Washington, D.C.*

DEAR REPRESENTATIVE JONES: I regret that previous commitments preclude my appearance before the Ad Hoc Subcommittee on Appalachia next week. However below is a statement which I authorize you to place in the record in support of the proposed Appalachia legislation:

Passage of the Appalachia legislation will supplement the existing programs and permit more complete road and utilities development of certain areas in South Carolina that are principally mountainous and now in need of road and utilities development. It will accelerate economic growth and help this area, to uplift the standard of living of its citizens. Through the construction of roads and scenic highways, it will join up heretofore inaccessible scenic wonders of the region such as the beautiful Whitewater Falls which lie across the boundary of our State and North Carolina.

The development of the area should stimulate investment by private industry to bring new opportunity to the people of Appalachia physically and educationally, as well as economically. For these reasons, I, as Governor of South Carolina, support the passage of the proposal legislation.

DONALD D. RUSSELL

COMMONWEALTH OF VIRGINIA,  
GOVERNOR'S OFFICE,  
*Richmond, January 29, 1965.*

HON. ROBERT JONES,  
*Chairman, Special House Public Works Committee,*  
*House Office Building, Washington, D.C.*

DEAR MR. JONES: Responding to your invitation to appear before your Committee in support of the Appalachian Development Act of 1965, please be advised that I have heretofore submitted statements in support of this legislation and have enclosed a copy of our statement to the Senate Public Works Committee to be made a part of your record.

With kindest regards, I am,  
Sincerely,

ALBERTIS S. HARRISON, Jr.

STATEMENT BY ALBERTIS S. HARRISON, Jr., GOVERNOR, COMMONWEALTH OF VIRGINIA

Mr. Chairman, and other distinguished members of the committee, I am grateful for the opportunity to make this statement. I regret that I cannot appear in person.

I have endorsed generally the objectives of the Appalachian Regional Development Act, for I am of opinion that many of the proposals will promote the growth and development of the Virginia Appalachian counties, and the entire Appalachian region. While there are areas in Appalachia whose economy is at a low ebb, I feel it unfortunate that the "depressed" label has been applied to such a large area of our Nation. The Appalachian region is not homogenous; there are areas of very considerable prosperity while others are relatively depressed. The value of this program is that it represents a concerted effort in attempting to alleviate the conditions found in the Appalachian region. By and large, many past efforts, though sincere in purpose, have not been able to solve the region's difficulties simply because they tried to cope with only one aspect of the problem. This bill holds promise since it brings together and accelerates the efforts of many Federal and State programs now in existence. The necessary essentials for improving the development potential of Appalachia are covered by the act. I agree that the Appalachian program should remain separate from the pending "poverty bill."

My executive assistant, Mr. Joseph G. Hamrick, will be the Virginia representative on the Appalachian Regional Commission and I assure you of his continuing interest in this program.

I favor and shall support any sound program that will expedite the construction of modern, safe, and adequate highways in the Appalachia area. Certainly, there is no area of greater importance to the development of the region than a



vigorous and well-balanced highway program. Industrial development and the industry of tourism cannot be promoted without adequate network of roads. The 1964 session of the Virginia General Assembly provided for the beginning of a new network of arterial highways, a system of main, dual lane roads intended to complement and serve large areas not covered by the Interstate System. A high percentage of this arterial mileage was allotted to the southwest Virginia area. The Development Highway System as proposed in section 201 of this bill, when coupled with our regular programs, will provide safe and efficient transportation facilities into the heart of our most inaccessible Appalachian areas. The Appalachian Regional Development Act of 1965 can be of inestimable value to Virginia if the highway funds available to this State under it can be expended to expedite the construction of this arterial system.

With reference to section 202 of title II of the proposed act, we have a well-organized and well-directed public health program in Virginia, but admittedly we do not have in southwest Virginia sufficient numbers of physicians, nurses, dentists, or other health personnel. For example, there is only 1 M.D. for every 5,000 people, as compared to the national average of 1 for 700. Additional health personnel need encouragement to locate in the area, and those already located there need auxiliary personnel in the care of patients. The development of medical clinics, home nursing care programs, and the provision of additional financial assistance for required hospitalization obviously are steps which can alleviate these conditions.

The basic structure to develop these proposals already exist in Virginia through complete coverage of this area by full-time local health departments.

A preliminary survey of the 106 communities in the 7-county area revealed that only 12 have approved sewage treatment facilities. For example, 8 communities discharge all or a portion of their sewer wastes directly to the Big Sandy River; 24 to Clinch River; 8 to Guest River; and 28 to Powell River. Based on conservative figures, it is estimated that at least 1,500,000 gallons of untreated sewage per day are discharged into secondary streams or directly into these 4 rivers. The provision for grants under section 212 will be of considerable benefit.

Public water supplies are not available in 39 (36.7 percent) of the communities. Public water supplies in the remaining 67 communities vary in adequacy and degree of treatment.

Sections 203 and 204 of title II refer to programs for improving the economic level of our farmers. Agriculture and related activities have long been of vital importance to our economy in Virginia. For example, the designated counties in Virginia included in the Appalachian region possess a natural ability to produce bluegrass. This grass is one of the most desirable and easily established forage crops in the area. The bill's provision to improve pasture should be an aid to small landowners desiring to increase, as well as diversify, livestock production.

While investment in the highways, waterways, the soil, timber, and recreational resources is of strategic importance in the development of the Appalachian area, it provides only a partial answer to the future of this region. In the final analysis it is the people who make a region, a State, or a nation truly great. We can build a more vigorous Appalachian region only as the human resources are developed.

The fundamental key to the development of these resources is education. Section 211 of the bill provides some needed assistance in this direction. Through sound education aspirations are raised, the dignity of the individual is enhanced and his spirit is quickened, knowledges and skills for effective citizenship, including vocational competency are acquired, the development of a concept of the good life is fostered, and doors to unlimited opportunities are opened.

While progress in education in the Appalachian region is constantly being made, the skills and knowledges of its people have not kept pace with the benefits and vocational opportunities afforded by the rapid growth of industry and technology. The rate of improving education in this area must be accelerated. For the year 1963-64, 20.2 percent of the accredited high schools of the Appalachian region in Virginia offered courses in industrial education; more than 50 percent offered courses in agricultural education; almost 50 percent provided work in business education; more than 25 percent provided courses in distributive education; and more than 90 percent offered home economics. Apprenticeship-related instruction was provided through evening programs in one-sixth of the high schools. Instruction under the manpower development and

training program has been provided for more than 240 unemployed adults. Two area vocational-technical schools are located in this region.

The high school dropout rate in the Appalachian area exceeds slightly the rate for the State as a whole. The percentage of high school graduates of the region entering college is less than that for the State. The percentage of persons 25 years of age and over who have not completed the fifth grade of school is well above the percentage for the State and the Nation.

The Commission on Vocational Education in its 1963 report to the Governor and the general assembly presented forcefully the need for more persons trained as skilled craftsmen and technicians. The Commission further set forth recommendations for strengthening instruction in vocational education at the high school level, developing on a pilot study basis special courses for potential dropouts and courses involving a study of clusters of closely related occupations, and establishing additional area vocational-technical schools. Although time does not permit more detailed discussion, it is obvious that there is great need in the Appalachian region for expansion of vocational education for high school students and adults. There is also a great need for expanded programs for teaching out-of-school youths and adults basic skills in order that they may be better prepared to benefit from instruction in vocational education.

Suitable and remunerative employment is clearly an essential solution to the problems of low-income or disadvantaged people able to enter the labor market. Several counties in southwestern Virginia have substantial numbers of both men and women without any encouraging prospect of finding jobs through their own efforts, but who are readily adaptable to work opportunities if work can be found for them.

Such people form a reservoir of unutilized manpower, and their referral to gainful employment would contribute immeasurably to their own status and satisfaction in life, as well as to the prosperity of their community and State.

While the Employment Service cannot create jobs, it can be effectively instrumental in searching out vacancies which exist, in helping to attract new industries, and in guiding jobseekers to appropriate openings with a minimum of wasted effort. I, therefore, agree that adequate services for registration, counseling and placement responsibilities are indicated and would be beneficial.

It is recognized that the water resources of the Virginia portion of Appalachia can contribute toward improvement in the general economy. Projects involving flood control, pollution control, and water-oriented recreation would be helpful in advancing the economic health of the region.

The encouragement of timber growth through improved fire control and extension of access roads and trails is a desirable objective in Appalachian Virginia.

Acceleration of State programs in topographic and geologic mapping would be desirable in developing the mineral resources of the region.

Whenever the subject of water resources is discussed, the question of public power arises. I am opposed to any development of electric power facilities by public-owned, non-tax-paying bodies.

Water resource development should embrace only recreation, conservation and flood damage prevention. The efforts of the President's Appalachian Regional Commission can most constructively be directed to improving the needs for transportation, education, health, recreation, agriculture, and human uplifting.

With reference to the general provisions of title II, part C, I can assure the committee that Virginia will not reduce the expenditure of public funds in this region of our State.

Section 222 of the act is a wise provision in that it properly gives each State and political subdivision the power to decide if it shall engage in or accept any program. Surely, not every proposal will be suitable for every Appalachian State.

Apparently under title III, the operation of local development districts is regarded as a key proposal in this legislation. However, for such local development districts to participate financially would require enabling legislation by the General Assembly of Virginia, and a State-issued charter to such districts. I cannot here speculate on what action the Virginia legislative body will take when it meets next in regular session in 1966.

In the preparation of this statement I have deliberately avoided commenting on all provisions of the proposed legislation. I am very conscious of the fact that, with the exception of a few counties in southwest Virginia, the need for the assistance and aid contemplated by this bill is not imperative in Virginia.



However, I am equally as conscious that there are areas in other States where the need is critical, and if it is to be alleviated bold, positive, and imaginative action must be taken.

The southwestern part of Virginia is inhabited by an alert, intelligent, and ambitious people. It is rich in natural resources and has as great a potential for industrial development as any area in the United States. Its mountains, streams, and forests are among the most beautiful in the world. It should be a mecca for tourists. An acceleration of the construction of Virginia's arterial highway system, an improvement in existing educational facilities, the prompt inauguration of vocational and technical training, adequate public health facilities, together with a realistic public works program, will provide the necessary stimuli, and result in full development of the Appalachian region in Virginia.

The success of the programs envisioned by the Appalachian Regional Development Act of 1965 depends upon their administration, and the extent to which they are coordinated with and supplement existing programs that are already in effect in the various States that constitute the Appalachian area.

There is little that this bill envisions that is not already being undertaken by existing agencies of the Commonwealth of Virginia. If the work of these agencies, and the programs now underway, can be augmented and hastened to conclusion, we feel very strongly that the problems of our Appalachian area will be solved.

Again, I express my appreciation for this opportunity to present these views.

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STATE OF GEORGIA,  
EXECUTIVE DEPARTMENT,  
Atlanta, January 29, 1965.

Hon. ROBERT E. JONES,  
*Chairman, Ad Hoc Subcommittee on Appalachia,  
House Committee on Public Works, Washington, D.C.*

DEAR CONGRESSMAN JONES: Because of the pressure of State business in connection with the current session of the State legislature, I must regretfully decline your kind invitation to testify before the subcommittee in behalf of the Appalachian Regional Development Act of 1965.

I am strongly in favor of the passage of this bill, and as you have suggested, am submitting the enclosed statement for the subcommittee's consideration.

Thank you very much for giving me this opportunity to present my views. If I can be of any further service to the subcommittee, please call upon me at once.

With best regards, I am,  
Sincerely,

CARL E. SANDERS, *Governor.*

TESTIMONY OF GOV. CARL E. SANDERS, AS CHAIRMAN OF THE CONFERENCE OF  
APPALACHIAN GOVERNORS

Mr. Chairman and members of the ad hoc Subcommittee on Appalachia, it is my duty and my privilege, as chairman of the Conference of Appalachian Governors to submit this statement to the Subcommittee on Appalachia, and to endorse the Appalachian Regional Development Act of 1965. I urge your favorable consideration.

This bill is well designed to meet the needs of the region and to strike at the roots of poverty in Appalachia. I agree completely with the majority report of the Senate Committee on Public Works last year that this program will "in the long run eliminate much of the need for public assistance payments by development of the region's natural and human resources."

I would like to point out that there has been little change in Appalachia since the original information, based on the 1960 census, was collected. The people of that region are still bound in an isolated and stagnant economy.

In Georgia our 35 Appalachian counties have substantial and persistent unemployment ranging from a high of 12.3 percent to a low of 5.1 percent with an average of over 7 percent.

There is a great need for better access to Appalachia. Major highways and connector roads are needed to improve accessibility for the tourist trade as well as to aid the landowners in marketing the abundant timber resources.

For example, only 50 percent of Georgia timber is now being marketed. Better management of the timberlands and improved access will increase the available timber by another 30 percent. Such an improvement would enable the people of Georgia and the other Appalachian States to take advantage of the growing markets for wood products.

We in Georgia have in preparation for early consideration, a timber resources survey in which we propose to diagnose the problems of the area before treatment is prescribed. We must not ignore the attitudes of the present landowners for access to the timber depends upon their attitudes as much as upon access roads.

I would not support any measure which would override the wishes of the landowners and the present market operators in the area, but I am firmly convinced that through this bill under consideration we can create conditions which will stimulate the expansion of the currently profitable timber operations in the Appalachian region of Georgia.

The entire Appalachian area needs improved health facilities to make the area more inviting for workers and investors. We need mineral resource studies to locate deposits for exploitation. We need to improve open land for grazing and for protection of its productive capabilities.

Many areas of the Nation are in critical need of wholesome water. We now have water in abundance in the Appalachian region, but we must take steps now to protect the quality of that water.

Appalachia needs improved vocational education facilities to help its residents, current and future, to increase their productivity.

We in Georgia pledge to continue our present efforts in the Appalachian area, and we will expand our assistance as the opportunities arise. State initiative was behind this program now under consideration and through it, the States want to be true partners in the growth of the region.

I am sure that the other Governors of the Appalachian States share my conviction that this program will become the Nation's outstanding example of local-State-Federal cooperation.

I am concerned that the Senate bill under consideration does not make provision for a State representative to work full time at the regional commission headquarters, as recommended by the Systems Development Corporation and the conference of Appalachian Governor's staff. A true partnership is lacking when two full-time, highly capable Federal executives are assigned to work with 11 State representatives working most of the time in their home State.

In Georgia we have found a network of area planning and development commissions to be remarkably effective. These multicounty organizations allow local communities to join together in economic surveys and to initiate their own plans for economic development. The State matches funds and provides assistance in planning.

Georgia has concentrated its efforts in the Appalachian counties. Almost 65 percent of the \$390,000 that Georgia has put into our 16 development commissions since 1961 has gone to the three commissions in our Appalachian area. Our budget for the next biennium allocates almost \$1 million for those area development organizations. We are making, and will continue to make, strong efforts to help ourselves, but the regional problem cannot be solved until a regionwide attack is carried out.

I am convinced that our Georgia program is now one of the finest examples in the country of State and local cooperation for economic development. With the passage of the Economic Opportunity Act of 1964 these area commissions broadened their perspective and have been invaluable in setting up programs under that act. They will be of similar assistance in carrying out the programs of the Appalachian Regional Development Act of 1965.

I urge the subcommittee to take care that the human resources development program now underway under the Economic Opportunity Act be closely coordinated with the Appalachian program, for human resources development is an essential part of regional development.

Our Appalachian area, which is filled with natural resources cannot benefit our Nation and mankind until we have trained men who can dedicate themselves with skill and enthusiasm to the development of those resources.

The wealth of our Nation is based on the increased productivity of the individual. The nonproductive are a drain on the economy—a drain which this bill is designed to eliminate.

The Appalachian program and the Economic Opportunity Act of 1964 are pioneer efforts in expanding the wealth of the Nation.



The entire Nation not only will benefit from the increased productivity of the Appalachian region, but also the findings of the combined programs will show us sound approaches to the further development of other regions of the country.

The Appalachian and economic opportunity programs are wise investments, not wealth-consuming expenditures. They are businesslike approaches which will bring rich returns to both the present and future inhabitants of Appalachia and of the United States as a whole.

I urge that this subcommittee and the Congress complete the action begun last year and pass the Appalachian Regional Development Act of 1965.

The people of Appalachia are waiting, not in idleness, but with the confidence that their current efforts will be reinforced by the determination of the whole Nation.

The days of our reform have not passed and surely our affluent America can afford to eliminate the scourge of poverty from those citizens too long neglected, too long forgotten in the mountains of Appalachia.

Thank you.

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STATEMENT BY GOV. EDWARD T. BREATHITT OF KENTUCKY

Mr. Chairman, and distinguished members of this committee, I am Edward T. Breathitt, Governor of the Commonwealth of Kentucky. It is a pleasure to once again have an opportunity to discuss the Appalachian Regional Development Act with Members of Congress. Last May I testified in behalf of a similar piece of legislation before the House Public Works Committee.

At that time I gave a rather detailed and comprehensive endorsement of the goals that were then incorporated in the bill. Today, I want to reaffirm my original testimony and request that you give this legislation as speedy a passage as can be justified with searching deliberation and sound judgment. In a region with as much need and deprivation as Appalachia, it is almost superfluous to say that this program is more necessary now than a year ago. Unfortunately, such is the situation.

This program will make possible an attack on some rather unusual problems which are peculiar to the Appalachian region and which existing programs and local capacity have not been able to solve.

Among these problems is the absence of a modern transportation network. This problem can only be corrected with an imaginative, creative, developmental system of highways which will establish "new rivers of commerce" to tie the Appalachian region to the prosperous growing economy of the Nation.

Better use and control of water resources is another need which local people cannot met alone. So is a means of upgrading timber resources. The chronic shortage of basic economic items such as water systems, sewer systems, and improved industrial sites is a deterrent to growth in the Appalachian area.

The legislation we discuss today clearly indicates an understanding of these and other problems of Appalachia and sets a clear course for meeting these impediments to economic growth in the region.

There is no need for me to dwell on the act's solutions and proposals here, since the specific requests made in this legislation were endorsed in my previous appearance before the House Public Works Committee.

It is more important for me today to talk about the feature of this bill which inherently is the key to the success of the program. The act provides a device for closely coordinating State, Federal, and local efforts to focus on and solve the problems of the region. It is the establishment of the Appalachian Regional Commission, which will be a new approach not only in terms of Federal-States relationships, but also in terms of the tasks which this legislation assigns to the Commission. Certainly, Kentucky has not participated in this kind of governmental approach to problems and I believe this will be a new experience for the Federal Government as well.

Unusual demands will be made not only of Kentucky and the remaining 10 States, but also of the Federal Government. A true sense of cooperation and mutual understanding between and among the members of the Commission must prevail if this program is to succeed. I am concerned that we begin now to do the very best job we possibly can to set the precedents which will insure the success of the Appalachian program if it becomes law.

While it is necessary that the Commission occupy itself with utilizing comprehensive, integrated programs which in concert will develop the region, the State of Kentucky must just as surely concern itself with the same comprehensive,

integrated programing, not only for that portion of Kentucky which is included in the Appalachian region, but also for the rest of the State. This is true because the impact of the Appalachian program will be great in all areas of Kentucky, and we must be doubly concerned that we establish from the very beginning the understanding and organizational structure needed to insure its best use.

I can tell you today that we in Kentucky understand this new Appalachian approach to regional economic and social problems and that we are organized and prepared to use this bill. We have the machinery and the beginnings of a staff in my office ready to go to work if this legislation becomes law. Kentucky has made a maximum effort at the State level to meet the needs of Appalachia and this effort is not going to be diminished.

Great attention is going to be devoted to the search for the best use of the limited resources at State and local levels and the growing arsenal of Federal resources to achieve the maximum economic growth and human development gains possible. We anticipate that the Economic Opportunity Act with its emphasis on the maximization of opportunity for those whose development has been stymied by a lack of economic development will become a part of our total programing. The Economic Opportunity Act and the bill which we consider today together will provide Kentucky, for the first time in our history, with the necessary tools to begin a human and economic development program process which will be self-sustaining in a short period of time.

I am not unaware that the Appalachian program has important implications that go beyond the 11 States. In my view, the departure into this new land of Federal-States cooperation as called for in this bill, is a true demonstration of the dynamic federalism which President Lyndon Johnson has predicated as the basis for a society in which the benefits of that society accrue to all people.

Others in this country who have problem areas similar to ours will no doubt draw upon the Appalachian experience. For our part in Kentucky, we are happy and pleased to continue in the 20th century a tradition of trailblazing which we set in the very early days when the first pioneers moved across the Appalachians to the West. We have played a continuing role with the other 10 States and the agencies of the Federal Government in trying to illuminate the problems of the Appalachian region and possible solutions.

While it might appear that this legislation is special action to favor some at the expense of the majority, I think the Appalachian approach to regional problems will pay dividends to other parts of these United States. Perhaps most importantly, this program will remove a chronic deficit area from the Nation's ledger sheet and replace it with a growing, viable economy which will advance the greater good and economic well-being of all the people of this country.

If used in a coordinated manner this program will draw the Appalachian region into the main stream of the American economy where each community and each region must find itself if it is to enjoy the fruits of this country's free enterprise system. The total outlay requested in this bill is small in my opinion compared to the possible gains to be realized.

I respectfully ask you to act on this legislation as quickly as possible.

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COLUMBUS, OHIO, February 3, 1965.

HON. ROBERT E. JONES,  
*Chairman, Subcommittee on Appalachia,  
Committee on Public Works,  
Washington, D.C.:*

With the full realization that certain portions of southeastern Ohio desperately need economic development, Ohio, approximately 1 year ago embarked on an Ohio Valley region program. This area coincides with that presently termed "Appalachia," plus the additional counties added in the Senate.

This program was conceived prior to the time that Ohio committed itself to the Federal Appalachian program. Therefore, even though the proposed legislation for the Appalachian area was not acted upon, we have continued with our program.

It is our belief, however, that the proposed legislation on Appalachia can be of significant import to the area. We are therefore hopeful that with full recognition of the States responsibility it will become law in this session.

JAMES A. RHODES,  
*Governor of Ohio.*



## STATEMENT OF CARLTON R. SICKLES, DEMOCRAT, OF MARYLAND

Mr. Chairman, I am pleased to support H.R. 4, which would establish the framework upon which the economically and socially deprived residents of the 10-State Appalachian region can build a new future of prosperity.

It is obvious in Appalachia that fragmented efforts of individual groups and communities are inadequate to meet the massive problems that extend over the boundaries of any one government, except our National Government. Until the Appalachia program, there has been no satisfactory regional plan for development—no plan which measures the level of resources, both public and private, required for the basis of improved economic growth, no plan which can reach across State borders and into the small remote poverty pockets of 10 different States.

This plan for overall economic development has the necessary ingredients for success: Investment in the people of the area to improve their schools, housing, health, and to help them acquire new job skills; investment in needed physical facilities such as roads, airports, and dams; and finally a regional organization to coordinate the efforts of Federal, State, and local officials in attacking the roots of the problems of this region.

Not only would this bill benefit the Appalachian region, but it has potential significance to at least six other multistate regions. If the Appalachia bill passes and works, as I believe it will, then the program can be applied to other distressed areas which are stagnating while the rest of our economy grows stronger.

It is an approach, which if successful, I should like to support in the future for combating the problems of such regions as the upper portion of Michigan, Minnesota, and Wisconsin; and Ozarks; portions of Connecticut, Rhode Island, and Massachusetts; upper Maine, Vermont, and New Hampshire; portions of Utah, Colorado, New Mexico, and Arizona; northern California, Oregon, and Washington.

There are possibly other areas besides these which could also benefit from a regional recovery program, and the success of the Appalachia program could result in aid to these areas.

Thus, my support of this bill is not just the support expected from a Representative whose State will benefit from this action, but also as a Member of Congress who sees this bill as a trail from which the verdict of success could mean new lives for American in many regions.

Of course, once the Appalachia bill is passed, it will be up to the people of that area to build upon the economic framework provided by the Federal programs. The Appalachia area once provided the pattern for frontier growth; now in the 20th century it must provide the pattern for new and greater economic growth in areas which have lagged behind the rest of modern America.

Appalachia is also of importance to each of us because an increased economic prosperity in Appalachia will have a vital impact on the economy of the country as a whole.

The construction of modern roads and modern transportation through Appalachia will provide routes for goods from the rich Ohio Valley and adjacent southern areas to the eastern seaboard, thus strengthening the economies of these regions.

Secondly, as Appalachia becomes an efficient producer through development of its resources, it will also become a larger consumer of goods produced in other areas.

I support this bill, therefore, not only for the well-being of the people of Appalachia, but for the potential benefit to all Americans.

Mr. JONES. The committee will now adjourn until 10 o'clock tomorrow.

(Whereupon, at 12:20 p.m., the committee recessed, to reconvene at 10 a.m., Friday, February 5, 1965.)





# APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

FRIDAY, FEBRUARY 5, 1965

HOUSE OF REPRESENTATIVES,  
AD HOC SUBCOMMITTEE ON APPALACHIA  
OF THE COMMITTEE ON PUBLIC WORKS,  
*Washington, D.C.*

The ad hoc subcommittee met, pursuant to recess, at 10 a.m., in room 1302, Longworth House Office Building, Hon. Robert E. Jones (chairman of the subcommittee) presiding.

Mr. JONES. The subcommittee will come to order.

Today marks our third day of hearings on the various proposals on Appalachia. We will receive this morning the testimony from Members of the House who have expressed great interest in the legislation.

I am told Congressman Perkins has a subcommittee meeting, so we will accommodate him.

Yesterday we placed in the record the statements of the Governors that were not in attendance. The clerk tells me there is another statement from a Governor.

Mr. McNEAL. Yes; we have an additional telegram which, with your permission, I would like to read for the record. [Reading:]

Hon. ROBERT E. JONES,  
*Chairman, Ad Hoc Subcommittee:*

The implementation provided through the Appalachian Regional Development Act should help Alabama to proceed at an accelerated pace with its plans and programs for a full scale development of the 33 county Appalachian region of Alabama. Envision this joint effort to be an opening step in a campaign to bring this region, rich and undeveloped resources, and the people thereof up to a higher economic level.

GEORGE C. WALLACE,  
*Governor of Alabama.*

Mr. JONES. Our first witness today will be Mr. Perkins.

## STATEMENT OF HON. CARL D. PERKINS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KENTUCKY

Mr. PERKINS. First, let me compliment this distinguished committee for taking up such a vital piece of legislation, in my judgment, which will mean so much for the general welfare of the country.

Mr. Chairman, the bill that I introduced goes much further than the bill pending before the committee in that the matching is quite different from the standpoint of community facilities.

(The prepared statement and letters follow :)

REMARKS OF CONGRESSMAN CARL D. PERKINS

Mr. Chairman, it is a great pleasure for me to appear today before this distinguished committee, which has provided the Nation with a great deal of landmark legislation. I am particularly pleased that the chairman has seen fit to initiate hearings promptly so that early attention can be given to H.R. 4 and H.R. 132, which I have introduced, as well as other similar measures dealing with the development of the Appalachian region.

There is a crisis in Appalachia which can only be met by prompt action on the enactment of legislation to initiate a program to revitalize the resources of this 11-State area which have been long neglected and bypassed by other Federal programs. Steadily declining employment in the coal and related industries, the lack of financial resources to construct roads, bridges, flood control projects, water, sewer, and other public community facilities, have created conditions which are so severe in the hardships imposed upon the inhabitants that they are unable without substantial Federal financial assistance, to undertake the types of community improvement and development projects and programs which are essential to provide a stable economy.

I want to emphasize at the outset that the funds provided in this bill are not handouts to a poor region even though the region is in desperate need. But rather, the enactment of this legislation is a profitable investment in an 11-State area of the United States with vast resources and potential and populated by 35 millions of our people.

This bill strikes at the heart of one of the chief causes of poverty in Appalachia—its isolation from the main stream of economic and social contact occasioned by the lack of major highways and extremely poor and often impassable byways. The construction of roads and highways, both developmental and access, to assure every family ready access from his home to a job, to his market, to school, and to those other centers of activity that have meaning in our modern society, command the highest priority. My only reservation concerning the highway and road construction provisions of this legislation is that the bill does not authorize a large enough investment in the construction of these roads. I emphasize the work investment because the construction of roads and highways throughout eastern Kentucky and all of Appalachia will erase its isolation and will permit natural economic forces to allow Appalachian families to enjoy the general prosperity of the Nation. In many communities in most every one of the counties that it is my privilege to serve, there are many families living on roads which are completely impassable in many months of the year.

In thousands of homes families must ford creeks on foot or on footbridges to reach their homes. The lack of ready access to public facilities such as schools, hospitals, physicians, public libraries, courthouses, markets, and similar outlets for the everyday needs of American families today is one of the major reasons for the low level of economic activity. There is little wonder that dropout rates are high when schoolbuses cannot navigate the creeks and rutted roads over which they must pass in order to reach many communities. This difficulty of communication extends not only from the family home to the marketplace, to the school, and to the county seat, but also to the larger metropolitan areas of greater commercial and industrial activity.

Appalachia, released from its isolation by the construction of modern roads and highways and other community facilities, will add greatly to the general prosperity and wealth of the Nation because it is a region containing great natural wealth. In eastern Kentucky, that portion of Appalachia which it is my privilege to represent in Congress, in addition to its coal resources and commercially significant deposits of other minerals, abounds in water resources. Four major river basins, three of which are almost totally unharnessed and untamed, now create constant flood threat, but yet could be a source of economic vitality. With the constant threat of flood, many of the available land areas suitable for commercial enterprise do not invite capital investment. The siltation and pollution of streams created by a combination of inordinate and uncontrolled rainfall combined with waste as a result of mining operations, has increased the need for a positive, constructive, and effective system of reservoirs and stream and land correction measures. In this respect, the program conducted by the U.S. Army Corps of Engineers is of vital importance to the region and should be expanded and accelerated within the limits of engineering know-



how and feasibility. Those reservoirs which have been already authorized by the Congress should be built at the earliest possible date and at the same time, additional reservoirs should be quickly put in the mill in order to provide maximum flood protection and additional controlled water supply usage in order to strengthen the already widely recognized recreational potential of the area.

I am very hopeful that the bill will spur the vast construction program of other types of public works and community facilities, water systems, sewage facilities, and public parks. Of tremendous importance would be the acceleration of the construction of vocational education buildings to implement the construction authorized by the Vocational Education Act of 1963 and assure as early as possible every young person with an educational opportunity in the Appalachian area comparable to that afforded in areas of the Nation which have not been similarly bypassed by the forces of technological revolution.

Of great importance in the bill are provisions providing for the extremely small family farm to develop pastureland. There is no question but that in the more mountainous areas of Appalachia this type of program could make no contribution to the family, but in the rolling or hill areas of Appalachia, families today are barely subsisting on small acreages. Extended financial assistance to develop pasturage so that livestock could be raised, would not add surpluses to the market, but would enable many to have balanced diets who at the present time are not consumers of such farm products. I had also hoped that such provisions could provide a means whereby exploited land resources ravished by either the harvesting of timber or the extraction of minerals could be quickly changed from sources of siltation to areas which would assist in retarding the rapid runoff of water which has created so much flood damage.

Section 201(d) of H.R. 4 of the Appalachian regional development bill empowers the States to "give special preference to the use of mineral resource materials indigenous to the Appalachian region" in construction of highways and roads authorized under the bill.

I believe the bill should not single out for preference certain products but should give preference to all products produced or manufactured in the area. I suggest a substitute provision as follows:

"In the construction of highways and roads authorized under this section, the States may give special preference to the use of materials produced or manufactured in the Appalachian region."

In concluding my brief remarks on a bill that will receive more lengthy praise and elaborate description, let me emphasize that this bill in no way overlaps or duplicates the programs envisioned under the Economic Opportunity Act which recently passed the Congress. The differences between these bills can be more quickly realized when it is understood that the Economic Opportunity Act deals with the education, training, health, financial, and other similar needs of individuals and families wherever the impoverished may be found throughout the country, whereas the Appalachian bill concerns itself primarily with the development of the physical resources of a large region having common topographical characteristics, the neglect of which, over a long period of time, aggravates and makes more chronic, poverty and social problems associated with poverty.

I urge the immediate passage of this legislation.

It would be appreciated if there could be inserted in the record following my remarks a communication from Ralph C. Pickard, director of the division of environmental health in the Kentucky Department of Health, which letter stresses the importance of section 215 of H.R. 132. This provision is extremely important in securing for Appalachian communities basic community facilities which are essential to health and development. I am hopeful that such a provision will be in the bill reported by the committee to the floor.

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ASHLAND OIL & REFINING Co., INC.,  
*Ashland, Ky., February 2, 1965.*

Hon. ROBERT E. JONES,  
*Chairman, Ad Hoc Subcommittee on Appalachia, House Committee on Public Works, Room 501, Old House Office Building, Washington, D.C.*

DEAR MR. CHAIRMAN: Section 201(d) of H.R. 4 of the Appalachian regional development bill empowers the States to "give special preference to the use of mineral resource materials indigenous to the Appalachian region" in construction of highways and roads authorized under the bill.

We believe the bill should not single out for preference certain products but should give preference to all products produced or manufactured in the area. We suggest a substitute provision as follows:

"In the construction of highways and roads authorized under this section, the States may give special preference to the use of materials produced or manufactured in the Appalachian region."

It is apparent from the reading of the bill that certain interests have attempted unreasonably to obtain preference for their particular products. Preferential treatment should be only for the purpose of developing the Appalachian area by encouraging the use of all materials produced or manufactured locally. It is just as important to encourage local manufacturing operations. Under present conditions there may be more labor and a greater payroll involved in manufacturing than in an extractive industry.

Similarly, we believe that no special preference should be given to coal tar products which are directly competitive with asphalt manufactured from locally produced crude oil. In our large refinery, which is located in the heart of the Appalachian area, we commingle locally produced crude oil with locally produced coal liquids and crude oil brought into the area from more distant fields.

It is not practical to avoid commingling, but since the amount of asphalt and tar produced from local crude oil and coal will greatly exceed the amount to be used in the Appalachian program, the economic effect is the same as if there had been no commingling with oil from outside of the area.

The language of the bill should not be such that it could be used for the purpose of discriminating against local manufacturing operations such as ours.

Due to the small yield of coal tar from a ton of coal, and the fact that it has much greater value for purposes other than roadbuilding, the provision in the bill pertaining to the use of coal derivatives is impractical. Our refinery in the Appalachian area processes an average of 1,800 barrels a day of coal liquids, the greater part of which, however, is converted into products ranging in price from 18 to 35 cents a gallon; coal tar when used as a substitute for asphalt or when commingling with asphalt has a value of only 12 cents a gallon, the same as asphalt.

The clause pertaining to coal tar would add significantly to the cost of construction and would yield no addition to the economic development of the Appalachian area.

Cordially yours,

PAUL G. BLAZER.

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COMMONWEALTH OF KENTUCKY,  
DEPARTMENT OF HEALTH,  
*Frankfort, Ky., February 2, 1965.*

HON. CARL D. PERKINS,  
*House of Representatives,*  
*Washington, D.C.*

DEAR CONGRESSMAN PERKINS: I am writing to you with respect to my deep concern with the Appalachian bill S. 3 as passed by the Senate and the companion bill in the House which I understand to be H.R. 4.

If the bill in the House is the same as S. 3 in the Senate, then it will be of no benefit to the Appalachian region of the Commonwealth of Kentucky with respect to water systems and sewer systems and will be of little benefit with respect to sewage treatment plants since there are not over three cities in the entire Appalachian region that have sewer systems and need only a sewage treatment plant.

You more than anyone else realize that it would be disastrous to pass a bill for economic recovery and for the construction of certain public works facilities and not make it possible for the remaining seats of government in the counties to be able to obtain aid for the building of a waterworks system together with a sewer system and treatment plant. If we are to invite the tourist to come to Kentucky then it seems to me that they should expect to find modern conveniences in the towns of the Appalachian region of Kentucky.

It is my sincere hope that the Appalachian bill can be amended so that some statements similar to section 215 of H.R. 132 can be included to make this bill more realistic with respect to aid to the Appalachian region of the United States.



I believe that you will agree with me that the bill must be amended in the House to make these things possible. The above legislation cannot be complete until some measure is enacted that will make the above possible.

Very truly yours,

RALPH C. PICKARD,  
*Director, Division of Environmental Health.*

Mr. PERKINS. I am hopeful the committee will make it possible for sanitation, sewage, and waterworks to be constructed where we do not have any sanitation plants at the present time in so many mining communities throughout the whole Appalachian area. That is the case in eastern Kentucky, and I know in West Virginia and other areas.

I am certainly hopeful that you can modify that provision.

There is another thing that I would like to call your attention to and that is section 201(d) of H.R. 4, the Appalachian regional development bill. That empowers the States to give special preference to the use of certain mineral resources that are abundant in the area. Preference is given to the construction of highways.

I would suggest the language be added that has been proposed by Paul Blazer in his letter to the chairman, Mr. Jones.

I suggest a substitute provision as follows:

In the construction of highways and roads authorized under this section, the State may give special preference to the use of materials produced, or manufactured, in the Appalachian region.

I particularly mention that because there are industries like Ashland Oil in eastern Kentucky, where other industries could be given preference. Companies that we have in these areas that are more or less marginal anyway, we think their products certainly should have some preferential treatment. We think that is nothing but fair. That carries out the intent of this bill, and we certainly hope the bill will be amended.

I do not want to take up any more of the time of the committee. I certainly want to thank the chairman and the members of the committee for letting me appear first.

I want to ask unanimous consent that my remarks be revised and extended in the record.

Mr. JONES. Without objection, it is so ordered.

We know of your great interest. Your suggestions will be taken under consideration.

Mr. PERKINS. I hope the committee will consider water, sanitation, and the other change that I suggested.

Mr. JONES. It would not be right to talk about Pennsylvania unless we had Mr. Flood.

#### STATEMENT OF HON. DANIEL J. FLOOD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. FLOOD. Thank you, Mr. Chairman.

As, of course, you know, I am not unknown before this subcommittee, or this committee and related subjects in the past 20 years. I did testify at some length on this bill last year.

I would ask unanimous consent, therefore, referring to the act of 1964, and the hearings held at that time by your Ad Hoc Subcommittee on the Appalachian Regional Development, that my statement be-

ginning at the bottom of page 457 and going to the bottom of page 464 be included in this record, and that will permit me for a minute or two to devote myself entirely to the mining aspect of the bill. I think that is what you have in mind.

Mr. JONES. The statement that appears in the former hearings will be made a part of the record.

(The statement referred to follows:)

STATEMENT OF HON. DANIEL J. FLOOD, A REPRESENTATIVE IN CONGRESS FROM THE  
STATE OF PENNSYLVANIA

Mr. FLOOD. Thank you, Mr. Chairman.

Mr. FALLON. Mr. Chairman, I would like to welcome Mr. Flood here because about 20 years ago Mr. Flood and I came to Washington together and he said to me yesterday, "Of course, it is a sad occasion when any of our Members are defeated but you have served an apprenticeship for 20 years and you might be entitled to some consideration next year."

Mr. DAVIS. I agree with Congressman Flood; you have served your apprenticeship and now you are about to be the chairman.

I am glad to see both of you came here 20 years ago. It is my hope that you will be here 20 years more.

Mr. FLOOD. I hope you get your hope, Mr. Chairman.

Mr. FALLON. Mr. Davis is always a generous hoper.

Mr. FLOOD. I might say to my distinguished colleague from Maryland, Mr. Fallon, that not only do I congratulate him on the approach of his assumption of the chairmanship of the full committee but I congratulate the committee, the Congress, and our country upon their good fortune that he will assume that position, with the grace of God.

Mr. FALLON. Thank you, Mr. Flood.

Mr. FLOOD. Mr. Chairman, my name is Daniel J. Flood. I am a Representative in Congress from the 11th District of Pennsylvania. That is centered in the northeastern part of the State. It is the heart of the anthracite coalfield of the world, certainly of this country. I believe that the United States of America has become adult. I see increasing evidence of that. We are but a young country, vis-a-vis the nations of the world, but there is increasing evidence that we have matured and your consideration of this broad and sweeping legislation with its purpose and goal is additional and abundant evidence to establish that fact; if there were no other, this would do it but there are many others as well.

The serious consideration which you and the Congress are giving to it increases that certainty.

I do not intend to presume this morning, after your extensive hearings, to discuss the broad philosophy of this fact, the social implications and economic implications, and so on. I will be more parochial. I shall, in the few minutes that your great lack of time permits, talk about those provisions that will have to do with mines and mining and with particular reference to the anthracite, and even with more particular reference to my district, which is in the center of the anthracite.

As you know, the anthracite coalfields of this country rest in pockets in long, narrow valleys in perhaps a dozen counties of northeastern Pennsylvania. Mine is the richest and the biggest in the potential, the history of production and in the existing production, and in the coal resources untapped, perhaps for 200 or 300 years there is abundance of this hard coal.

However, coal is no longer "king," as it was in the economy of my area. Fifteen years ago there were 40,000 men working in the coal mines in my area. Today there are 4,000, and most of them are in what is known as strip mining. That is a shocking figure, but it is a fact. The reasons for this are not before you today.

I have appeared before this committee down through the years in connection with specific bills, single pieces of law, in which we have all tried to do something about the economic problems of these distressed, so-called distressed areas, these areas of chronic structural unemployment.

I think you will be happy to know that you have contributed greatly and done much to help us. When I first came here the unemployment caseload was 18 percent, if you can imagine that, 18 percent. The national average at about 5.5



to 6 percent. We were at 18 percent. It was unbelievable that you could live that way. Today we are about 8 percent. Much of the law that you passed here helped us do this, but I want to assure you this: We began this ourselves. This was, in the very best American tradition, a home-rule operation. We did not wait for Harrisburg or Washington to give us a handout. Every man, woman, and child at all levels in my area themselves got together.

This is where Operation bootstrap was born that you read about in the great national magazines and the press; this is where it began. This is where the industrial development funds under chambers of commerce, this is where management and labor and all elements of society joined together themselves to help themselves, and raised their own money by bonds, and by outright gifts, and by payroll deductions. We have raised millions of dollars. But there was a saturation point and we knew we could not succeed without the help of the State, Harrisburg, and without your help here at the various levels in Washington. We have received that from the State, we have received that from you here in Washington.

This trilogy of the active, dedicated leadership, inspired at the local level with their own money in this, hand in hand with the State and the Federal Government have given this Nation a classic example of how this job can be done.

I offer you exhibit A for the Appalachian program to the other States who are worse off than we are but where they have not done what we have done and they must do what we did to be entitled to help from the State and from you. You can bring them to us and we will be glad to show them. But we have a long way to go. Eight percent is bad. The national average is 5.5—that is bad. I do not know what good is. Maybe 2½ to 3 percent. Five and a half percent is bad. Eight percent in my district is still very bad. But we are over the hump now.

What are the bad things? We have for 100 years in my area sown the wind economically and we are now reaping the whirlwind. When your Nation was young and virile and growing by leaps and bounds and in a hurry "to get there last night" when America was the growing, great, strong, young thing that it was, it was reckless as young people are. It dissipated itself and its assets as young people do in their enthusiasm, in their vigor, in this rush. We forgot about the future. Your committee knows all about this. All over the Nation it has happened. But in the mines it could not be worse—it could not be worse. There is nothing worse than what happened in the mining areas as to what a Nation did to its natural resources and the area in which God placed them.

There are many reasons for this. These are historic and I will not presume to recite them to you. The fact remains that they exist now. Why? I am not here as an apologist. I am presenting you with a fait accompli and to develop the Nation from now on, we need this help.

Mining is a term abhorred by economists. Mining is the taking out of something and the putting back in of nothing. Economy abhors that. But that is what happened in my country. We had a single industrial economy; that is a curse. When the mines went we were destroyed. Why they went is another problem, but they went.

In addition to that, we were cursed—if a single industrial economy was not bad enough we were cursed with absentee landlords. We did not own what we had. So, we were raped and destroyed, underground and on the surface, for a hundred years. Now something must be done. That the State did not do what it should have done for a hundred years by law and the enforcement of whatever laws it had, there is no doubt. That the Federal Government did little more there is no doubt.

So you, sir, and your committee have it all in your lap. This is one way you can help. Because of mining and the bad part of mining as well as the good part there are vast areas of mine districts which are honeycombed, miles and miles of square miles and hundreds of square miles of underground honeycombed mine workings, most abandoned.

Only Almighty God knows what is down there and we will never be able to find out, I suppose, now. They are caved in from natural disaster, natural movement and voids being filled by pressures of movements, from the influx of water, our deadliest enemy in mining operations, surface water coming in for many, many reasons. Much of that water got in there because of the bad surface conditions that existed through these years.

All these things have multiplied now to this existing evil. And we see for the first time a recognition by the U.S. Government that there is some kind of

responsibility here to succor and aid these areas, on the surface and in the ground. We need your help for surface support. The technicians said they could do something about this by flushing operations.

By the way, every one of these programs that you propose in your bill, sir, are now going on. These are not new ideas. The State and the local governments are doing these things now. In my hometown of Wilkes-Barre just a month ago, under a Federal aid program, a mine drainage bill before another committee, 50 percent is Federal, 50 percent State. We are engaged in a million dollar mine-flushing project in which we are flushing mine refuse with water and pressure into the mines under certain parts of my city to support the surface. This is one program we want you to help extend. We have never asked you for this before.

This is not a stunt. This can be done. It is no trick. This is not some bright idea of some long-haired joker in the bureaucracy of the Federal or State Government with nothing else to do. The mining men know what to do and this is one program. This will give us surface support and underground support in these voids by flushing and other means. This can be done.

In this way we can kill two birds with one stone. We take these ugly, these fantastic, what we call culm banks—you know them as refuse banks, slag heaps in other areas—we call these culms. These are gigantic molds and bumps on the face of our area. Esthetically revolting, they are of no value. They have been worked over. These can be flushed into these mines. These areas can be recovered for economic development, industrial sites, housing, recreation areas, and whatnot, that you all know about. So we kill two birds with one stone there.

Then we have outcroppings of the hard coal, a distinct combustible because of its carbonic content. All over the hills and forests lightning strikes the forest, there is a forest fire, or negligence creates a forest fire for some reason or other, many ways. You know how they start. It ignites the outcrop. An outcrop is a surface showing of a coal vein. Some of you know where they are but some do not. But when it ignites it catches fire and it burns. The veins burn on the surface. Then they go underground and they burn. There is a desperate condition adjacent to my town of Wilkes-Barre known as Laurel Run Borough where the fire has been burning for 45 years. It is so bad and so desperate now that the technicians are not sure what to do about it. We are proceeding to spend a million dollars again, half Federal, half State. The application is now on the desk of the Chief Counsel of the Department of the Interior. We are sure it will be approved, to make cuts to the side of this hill to find where the fire is, to see if we can backfire it with sand barriers.

In the evening along the side of this mountain you can see the glow of this fire. This is glacial area. The surface of my hills and valleys look like your windshield if it were struck with a rock because this is the glacial history, a badly fragmented surface.

The reason is parenthetically because we have denuded our forests, we have destroyed our forests for mine props in a hundred years. The great North American hardwoods, expensive, desirable, needed in the market, are all gone because they are underground for a hundred years keeping up the surface as mine props.

The result is if the glass of water on the table spills out of my hands it goes down the valleys into mines, a double or triple evil.

In this bill you can help them with reforestation. I had one of the greatest timbering, the best dollar-producing timbering area 50, 60, 70, 80 years ago in the world in these mountains of northeastern Pennsylvania. This could be done again under proper forest management as you people do it. This could be done under your bill. Should be. And a great employer of men, and it is men I need to employ. This is one thing you can do for us separate and distinct from the mining. These fires have to be reached somehow. The fumes are deadly. They destroy property, take the paint right off the side of the buildings or your home. With my mustache I would not dare walk through there. It would be burned off in no time at all from the fumes. This would be a great loss. But these are the dangers. It is a danger to health, welfare, safety, happiness of the population. You can do something about that.

We have these vast culm banks I spoke about, these refuse heaps have become ignited by spontaneous combustion. They have been there for generations. Deep within them are various grades of coal which years ago there was no market for because of the mechanical problems of using coal. This was pure coal



of various sizes which had become ignited mostly by spontaneous combustion, some by vegetation igniting on the surface and burning through. There are raging furnaces in the bowels of these great heaps. This has to be destroyed. It, too, produces the most horrible and dangerous sulfuric gas and fumes to the area affecting safety, welfare, happiness of the entire community. It destroys property. This is no figment of my imagination. These things can be observed simply by going by. Something has to be done.

There are many of these banks that are not on fire. Something has to be done. What do you do about these horrible things that are on fire and are not on fire, both? Under this bill you can do it. We are trying to do that now. We have an application for \$500,000 being examined under the technical aid program of the Area Redevelopment Administration with \$150,000 raised by local contribution, \$200,000 from the State, approved law.

To show you that this is not a handout operation, \$350,000 we are producing. We are asking for \$400,000 technical aid from the Federal Government to attack a specific culm bank fire that is one of the worst in the country. We know that this can be done. This is no stunt. That is why we come unhesitatingly recommending these programs.

Another thing concerning your committee greatly is clean streams, water. By the grace of God we have the most magnificent water tables in the United States through this area, not only my area but through the entire Appalachia. By the grace of God the rainfall itself is magnificent, a great bounty from heaven. So, water in the tables underground and from the skies is not a problem. To preserve its purity and to control it and handle it is.

In the mining regions you have acid mine water which for generations has been seeping into the streams. What does this do to your fish, your wildlife programs, your conservation programs? If this is cleaned up as it must be, and we are engaged in this program at the State level and have been—the answer is difficult. There is no answer at Federal, State, or technical level to this problem today. Nobody knows the answer to this one. We are all trying. We want you to help us try. There will be no clean streams in northeastern Pennsylvania until you do. We need Federal help. The Government has recognized the program in other areas. This is not duplication. This is arrival. We will do our share locally and at the State level. Shutting down the mines won't help. The seepage will go on for generations. It can't be controlled by just shutting off cavities. You can help this.

So this, Mr. Chairman, is generally and very briefly and very broadly a very narrow facet of this vast program that you have before you which in itself magnitude for 8 or 10 States will certainly be for the first time in my experience an intelligent and proper approach to a program which is a challenge to the entire Nation.

In this sense it is not parochial. In this sense there is no one person, no one Member of Congress in any one State who can say this does not concern him. Every Senator and every Congressman for generations voted happily—I have—for the Interior Department acts to give succor and aid to a dozen States in that part of the country that needed special aid at the time they needed it. We have the old Eastern States that did this in a sense of national well-being. We are sure you will not deny us now for parochial reasons.

Thank you very much.

Mr. DAVIS. Thank you, Congressman Flood.

All of us know that there is no man in the country who knows more about mining and its difficulties than you from the standpoint of production, safety, distribution, and so on. You have spoken eloquently and to the point and factually. You have been very, very helpful.

Mr. FALLON?

Mr. FALLON. Mr. Chairman, I would just like to reiterate what you have just said about the testimony that Mr. Flood has given the committee this morning.

Mr. Flood, I want to ask you one question. Is residual oil a competitor to hard coal?

Mr. FLOOD. Yes. Any oil is a competitor to hard coal. The historic use of hard coal has been for many, many years primarily domestic heating consumption. The advent of all elements of liquid and gaseous fuels have taken the markets. Of course, we have not been without fault, but the chief problem in the loss of our markets has been the advent of liquid and gaseous fuels, so that in the industrial areas where we still have some markets the dumping of residual fuel oils from offshore areas is an enemy to what industrial markets we have left; yes.

Mr. FALLON. I have read recently where the importation of residual oil has increased year after year for the past 10 years. It seems to me if some controls could be put on the importation of these offshore oils, it would make a better market for the coal operation.

Mr. FLOOD. Of course it is true, Mr. Chairman, as you know, we from these coal areas are violent partisans of the so-called import quota system on residual fuel oils. We have been fighting a losing battle, but we are still punching.

Mr. FALLON. I can see by your distress up there that you have been fighting a losing battle. I was just wondering if that would not be one way to bring up the economic position of the coal operators by cutting down on the importation of residual oil.

Mr. FLOOD. This, of course, is true, but I hasten to add that the future of the economy of the coalfield areas of this country, the hard coal, especially my area, is no longer the mining industry. All of the reduction in unemployment that I so proudly recited has gone to very carefully diversified industries that we have given birth to and have developed and have brought into our area by our leaders with the help of the Federal and State Government programs of industrial development.

Mr. FALLON. How about the other areas of Appalachia?

Mr. FLOOD. This I am not sufficiently well versed in to speak, I am speaking only of the anthracite coalfields, although I come back that there is no doubt that as far as the mining industry is concerned, it can only benefit if the volume of residual fuel oils permitted is reduced. That follows like night follows day. But I want to emphasize that we do not look to the anthracite mines as the future of the economy for my area.

Mr. FALLON. Thank you.

Mr. DAVIS. Mr. Baldwin?

Mr. BALDWIN. Mr. Flood, I would like to join Mr. Fallon and Mr. Davis in commending you on a very forceful and thought-provoking statement.

I would like to ask a question relative to acid drainage from mines.

We have had testimony at various times before our committee—we have other bills besides this bill before our committee dealing with the problem of pollution and acid mine drainage.

Mr. FLOOD. Yes, I know.

Mr. BALDWIN. We have had some testimony relative to sealing off the openings of the mines now. Obviously this would not work with any mine that was in use—

Mr. FLOOD. I beg your pardon?

Mr. BALDWIN. I take it this would not work with any mine that is in use. You would have to find some other solution. This would only be feasible for a mine no longer in operation.

Mr. FLOOD. That is correct.

Mr. BALDWIN. I was interested in your comment that in your opinion no solution so far has been found to this problem of acid mine drainage. Do you feel that in these cases of the sealing off of the mine those have been effective?

Mr. FLOOD. Yes, that is our opinion—by “our” I mean we from the area—of these programs, both under your auspices and the State auspices and in a very limited way the coal producers themselves. This is frightfully expensive as you can imagine, but there has been a proliferation of ideas and technical efforts none of which has proved successful for the very simple reason, I repeat, they admit very frankly they do not know the answer. They have tried these things. Anything is good. Anything that they have tried, including the sealing off processes of which you speak, have undoubtedly helped. I have seen a number.

I personally, knowing what I know, say unequivocally the answer to your question is “Yes.” But you must remember that because of the geological structure of the area, because of the nature of these long, narrow, valley facings, because of the tremendous water tables and the great rainfall, because of the existence of these ugly stripping mine squares, cave holes, abandoned mines for generations, only the good Lord knows where this water is going. But we know that it is going into the mining areas; these abandoned mining areas.

The technicians will give you tables of how it rises and falls and the processes of oxidation as it does, and the chemical reactions with the rise and fall of water and oxygen, how it produces these acids of various types and kinds. Some deadly, some not, but all bad as far as the streams are concerned, as far as fish and wildlife are concerned, as far as what the conservationists want to do is



concerned, as far as our hope for developing a great area for tourism, for public recreation.

I stood on the riverbank on the 30th of May in my city where every year since the Spanish War we blow up a boat, a tribute to the sinking of the *Maine*, you remember. This has been a tradition in my city. Vast crowds, 10,000 people there while this boat is blown up as a tribute to the men who died at sea and so on, now to everybody who died in the Armed Forces. Here is this great Susquehanna River, the biggest river in the United States east of the Mississippi, bigger than the Hudson, a great river rising in New York and ending in Havre de Grace, great volumes of water. As it passes through my area, a vulgar, ugly, abused stream, a disgrace. There should be beaches along that bank where I spoke and the thousand children that stood there listening to the music should be able to swim after the program was over. There should be boating.

In the old days our Indians—we were a 6-nation country—an old Indian story used to say that when the shad ran during shad season in the Susquehanna, in my valley at the spot where I was standing, in the Indian days you could walk across the river on the shad. Nothing can live there today—nothing. This is too bad.

"Yes," is the answer to your question, but there are other problems. You can seal these voids but we know there will still be seepage from these unknown crevices because of these water and chemical problems. We do not know the answer. There is an answer, we believe, the technicians believe. You will have to help us find it. It is a bad question. Not only does it damage my city and its potential but down to my friend Fallon's backyard comes this poison and that is not fair, that is not right any longer.

Mr. BALDWIN. Thank you.

Mr. DAVIS. Thank you, Mr. Flood.

Mr. FLOOD. Thank you very much.

My compliments again to what you are doing and what I am sure you will do. You have to be in a coal mine and have a rock fall come down in a gangway and then climb over the top of it and turn the bend in the gangway and see at the head of the slope a small patch of light and know you are finally going to get out of what has been a very difficult problem.

Of course this committee knows far better than I how man has ripped and destroyed his environment. It would be carrying coals to Newcastle, and that is not making a metaphor here, to mention that to the subcommittee. But no place has it been done more thoroughly than in the coalfields of the so-called Appalachian part of this country.

While I speak only of the anthracite that I know, the hard coal field, there is a bituminous section of the country. Really, as you know, there is only one coal, anthracite. The other is a bitumite. Actually, we have collie dogs with hind legs that can scrape out bigger holes than you can find in the entire bituminous region, but they have their difficulties too. But all the anthracite is pretty near in my area. This creates the problem that you and I know so well.

I want to emphasize we have been working on this problem, as you know. We have never come here with our hat in our hand looking for handouts. We do not think that by any grace of your committee, or the Congress, or the taxpayer, we must survive. We have done tremendous things with our own money, and in our own State, and in our own municipalities and you know this. However, the purpose clause of your bill is such—we are so happy to see this because this is the recognition of a national problem, and it is no longer parochial and not regional, and you will approach it in that way.

We join hands with you.

The chief problems are the surface support programs, the so-called flushing programs. These are going on. I explained these to you in detail last year. They are going on now. They are going on with

State help and local help. The local people are supplying the refuse material at their own expense for flushing, and you contribute your share in these contracts. These do employ people. These are not hit-and-miss deals. These are local people. These are not fly-by-night operators.

Mr. JONES. The Governor yesterday testified you were spending some \$3 million, or more, on these flushing operations.

Mr. FLOOD. That is correct. I can stand on the back porch of my home and see the operations now proceeding that are doing exactly what must be extended to flushing and filling the voids to give surface supports.

I hold no brief for what has been done for the past 100 years in the underground mining of my area. I hold no brief for the evils and rape that has been committed. There is no question about it.

What the State should or should not have done is pretty clear, but it was not done. You are presented with a fait accompli, and this you want to attack, and I think you will.

These flushing programs will go on. We know they are no guarantee for surface support, but the experts tell us there is absolutely nothing else that can be done. That we are doing, and where we have done it, the results have been miraculous and are continuing to be so.

These affect vast areas and great voids.

We do not think they can all be filled. There is perhaps no need to fill them all. But by selective processes, and from the experts who know best, Federal, State, and local, we are sure the proper projects will be properly done.

We are confronted with a matter of public health safety and welfare with these ghastly scars that you know of. Several years ago I flew with a young French fighter pilot in a two-seater French fighter plane in Laos up toward the Chinese border of Laos, and he said to me, "Mr. Flood, if ever your country is going to land on Mars, you can train your troops here."

Well, I have news for that young French fighter pilot. If ever the NASA people wish to train their astronauts for landing on Mars, they can take them to the coal fields of Appalachia and there they can train them well. They will never on Mars see what they will see in the whole Appalachia field in these destroyed and turned-over coal fields.

Chemistry being what it is, and your interest in water resources, this is an allied subject. I would hope special attention would be given to this almost insoluble problem of mine drainage.

What do you do about mine drainage? No one knows. No one in the world knows. France, Germany, Wales, England, or here, nobody knows. But a rifle must be put on this problem, not a shotgun.

I propose to amend this, but I know expedition of this bill is paramount, and so I will not proceed with such an amendment. I know the study you are going to make. I know the studies in HEW that are being made and the progress being made there, and I will be satisfied that the subject is now of such paramount importance to everybody concerned that it will be finally met and solved if it can be done. This I am sure will be done.



Mr. JONES. We in the Government Operations, the subcommittee of which I am a chairman, made a very close examination of the problem and will write a report on it very shortly. I think the report will embrace just what you have said, it is going to be a remaining problem and the answers have not been forthcoming.

Mr. FLOOD. I know of the activity of that subcommittee, the distinguished Committee on Government Operations, and I know what the HEW people are doing, hence, I will not propose such an amendment to this bill because of the circumstances surrounding the bill.

There is the unbelievable problem of underground fires. Unless you were born and raised there, you just simply cannot believe this kind of thing exists.

I have approaching my city of Wilkes-Barre, the largest city in my congressional district, a fire that has been burning for 48 years. It burns through anything. The coal companies in their own right, in fairness to them, have spent millions of their own money trying to block these out to stop them. You cannot stop them. However, this can be stopped. This can be done. The program is underway to do it. You will help that here.

These fires, if they get too deep, will get below a 300-foot mark and then you cannot reach them because there is not equipment to strip the surface and the results have been cataclysmic.

This is not peculiar to my city, in the hard coal fields there is much of this. In the bituminous there is a great deal.

There is also the fantastic burning culm banks. In soft coal, they call them refuse and slag heaps. You can see in the evening these fires burning along the mountainsides. These are on the surface, culm banks on the surface. These are not underground fires. These fires underground are started by spontaneous combustion, strikes of lightning, ill-advised disposal of garbage trying to burn it, and all of these have contributed through the years to these ghastly problems that you are trying to strike in this bill.

I will not plead the cause of the conservationist. What this will mean to the conservationist areas, they can speak in their own right in the hope we can develop tourism in Appalachia. This we want to do.

We have a right, without anyone else just being there, to live and breathe clean air like the rest of America. We think you have recognized that.

These are the things I touched briefly on, as I have touched upon them before. Not only do I compliment this committee, but Appalachia and the entire country because the results of this Appalachia study in water, and these cures that I speak of will now be available to all America so they can strike at these evils that exist in other places as they do in my area.

Thank you very much.

Mr. JONES. Thank you, Mr. Flood.

We are certainly obliged to you for your fine presentation.

Mr. FLOOD. Thank you, Mr. Chairman.

Mr. JONES. Next is our colleague, Hon. Robert T. Secrest, of Ohio.

STATEMENT OF HON. ROBERT T. SECREST, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF OHIO

Mr. JONES. Your interest in this whole problem is well known to the committee, and it is a pleasure for us to have you here.

Mr. SECREST. I appreciate it. This is a committee on which I served for a good many years. I think it is one of the most important and useful committees in the Congress.

I support 100 percent Appalachia. I know the problems of mine fires. There is one mine fire underground in my district that has been burning for more than 80 years. It has destroyed millions and millions of dollars worth of coal. It has moved under highways, burned under them. The highways have dropped. One schoolhouse had its complete foundation burned out from under it years after it was built. The fire is still burning.

In the early thirties under the WPA we thought we had a complete solution to it. We hired miners as a WPA project. They tunneled through the good coal and we filled the tunnel with wet mud. We thought when the fire burned up to that it would have no place to go, but it got through. Those fires have tremendous heat. No one knows how they keep burning, but they do, and this one has been going for more than 80 years.

That is the portion of the bill I am interested in.

In my district in Ohio we have over 26 million tons of unmined coal. There is enough coal under that district to keep 3,000 men digging for 700 years to get it out. It is almost an unlimited supply of bituminous coal. I am interested in that.

I want to express this morning my interest in the inclusion in this bill of water and sewer systems. The President in his message yesterday said, "Over 14,000 rural communities with more than 100 population lack central water supplies."

The purpose of this bill is to furnish permanent employment, and permanent employment can come to these 14,000 towns, many of which are in Appalachia, only if they have waterworks and sewers.

Back in 1934, or 1935, as I recall, we were able to get a project approved for a little mining town of Byesville, Ohio. The first treatment plant in southeastern Ohio. They had a treatment plant before Zanesville, Cambridge, Marietta, or any of the cities.

Nothing happened for a long time. But immediately after World War II, because they had the waterworks and the sewage, the Vanadium Corp. of America came in, or a half mile away, and located a plant and the town was able to take the water to them.

The Echo Corp. came to Byesville with a plant. They have four plastic plants in the town today, and just within the last 2 months, Westinghouse has announced a new plant at Byesville. These are permanent things employing hundreds and hundreds of people, but it never could have been brought about without a waterworks and a sewer.

The little town of Belpre had 1,100 people. We were able to get a waterworks and sewer for them under PWA in the early 1930's. Nothing happened for a long time.

After World War II the Kaiser Co. came in with a bit company, and the Shell Chemical Co. came in with a plant and they are making there today over 85 million pounds of synthetic rubber.



Belpre was a town of 1,100. It is now 9,000, and they anticipate in 4 years it will be 15,000. The whole foundation of that industrial development of both these towns, and I could cite many others, was a waterworks and sewer, and without it there would be nothing.

To build highways throughout Appalachia into towns without a waterworks and sewer will not help the permanent industrial development of a single one of those towns. You can build a superhighway to my hometown and it would not help us 15 cents worth as far as getting a factory is concerned. Waterworks and sewers are basic to any industrial development.

While I support 100 percent the provisions of this bill, I would like in the interest of long-term permanent employment, in long-term economic advancement of the Appalachia area, the inclusion of waterworks and sewers. I have nothing else to say.

Mr. JONES. Thank you very much.

Mr. SWEENEY. I should like, as Congressman at large from the State of Ohio, to thank the distinguished Representative for his appearance here today and so ably advancing the cause of industrial development of the 24 affected Ohio counties that are part of the Appalachian program.

I join with the Congressman in his observation insofar as the importance of the whole development of Appalachia and the revitalization of economy is concerned, the importance of the water and sewage approach. I do believe we might take note here this morning of the fact that the distinguished Congressman has served Ohio in its recent past as its director of commerce. During that service, he was perhaps one of the State's most outstanding authorities as far as area redevelopment is concerned and revitalization with the thought of job opportunities in this district.

In the light of that experience, would it appear to your complete satisfaction that the time has gone when Ohio permanently must be developed with Federal assistance of this type, and it depends on the aid we must get under this bill?

Mr. SECREST. In the 24 counties in southeast Ohio, to which this bill must apply, development can never come without some assistance. Under the accelerated Public Works Act, we have in the seven counties of my district installed nine sewage-treatment plants which contribute to cleaning up of the Ohio River. As director of commerce, I was a member of the Ohio Water Pollution Board.

We have a good law. Every town operates under a license. They must come before the board and show each year the progress they are making, the steps they are taking to put in treatment plants and to take industrial wastes out of the rivers within Ohio itself, where we have the control. We have a good law. We have a good strip mine law. It could be better, but in Ohio our strip mine law levies so much per acre on each mining company. They can go in and plant trees, reclaim the soil if they want to. If they do not, the money they put up in escrow to the State will be used for that purpose.

Our law must be good because the Ohio Power Co., and the Peabody Coal Co., the Hannah Coal Co., the big coal companies, are planting millions of trees every year, and eventually those coal companies, when the coal is used, will be in the woodpulp business because they are planning this with the idea that eventually this will be used as woodpulp.

In former years before we had laws in Ohio, the land was mined and turned back for taxes. It was wasteland. They paid no taxes, they kept no interest in the land at all.

Now they are paying the taxes on it. They are reforesting it. They are intending to make a permanent and a good use of it. So we do have good laws in Ohio, I think. Any law could be improved, but they are good.

I think if you want to do something to help these little towns get permanent employment, permanent improvement, they will never get it without waterworks and sewerage because no industry is going to be into a town, I do not care if it employs 5 people, 8, or 500, unless there is water there and a sewerline.

Mr. WRIGHT. I, too, would like to commend our colleague for his presentation. With regard to water and sewer works, you are aware we do have incorporated now into the bill as it presently stands, and as it came over from the Senate, section 212, which is devoted expressly to sewage-treatment works.

Mr. SECREST. Right.

That will be useful only where there is a town that has a sewer to start with. There are many towns that do not have them.

In Ohio, under the Accelerated Public Works Act, you cannot get approval of a sewer project unless at the same time you build a treatment plant. You just cannot put in a sewer unless you put a treatment plant with it. They were tandem projects. Everywhere a new sewer went in, a treatment plant went in.

Mr. WRIGHT. That is what you would hope to have.

Mr. SECREST. If you are going to control pollution in the streams, and there is not any stream that does not flow into another one—every bit of my district drains into the Ohio River, and into the Mississippi—

Mr. WRIGHT. You are talking about communities that do not have a plant of any kind?

Mr. SECREST. I am talking about a town, and there are many of them, good sized, that have no waterworks at all. They use wells, and especially in the Appalachia area. You will find sizable towns with no waterworks. The only ones there are those that were built under WPA, PWA, and accelerated public works, and there would have been none without that help.

I would like to see this bill make possible that some of the funds could be used for that purpose. Highways are good, but if you want permanent employment, you can never have permanent employment in any town without a waterworks and a sewer, no matter how good the transportation is.

You can have rail transportation, water transportation as we do in three of my counties. The Ohio River goes right along it. They have had some great industrial development in those three counties, but the best of transportation—water, rail, and highways—will not help a town improve itself permanently unless they have a waterworks and a sewer upon which industry can build.

Mr. WRIGHT. You are familiar also, I gather, with section 214 which provides \$90 million to supplement presently existing programs in these fields in areas where the locality cannot supply the required matching share under the existing law. So there would be



provided by the bill, available under the Federal Water Pollution Control Act and other programs mentioned in this section \$90 million to help provide additional funds for communities which could qualify for these plants.

Mr. SECREST. That I think is good, but I think specifically there should be waterworks and sewage taken care of in this bill.

Mr. WRIGHT. I am interested in a thing to which you and Dan Flood both have alluded, simply because I do not quite understand it—these underground fires that have been burning for so very long.

You state an attempt was made to create a retaining wall as it were for one of these fires by wet mud, and the fire somehow broke through and burned through the wet mud.

Mr. SECREST. Yes.

Mr. WRIGHT. Now, the flushing operation that Mr. Flood refers to is another approach.

Mr. SECREST. That is drowning the fire out.

Mr. WRIGHT. By flushing water in it?

Mr. SECREST. Yes.

Mr. WRIGHT. Can this be done?

Mr. SECREST. In areas where you can seal the mine.

Some of the mines in my district have three and four layers of coal. Coal comes in layers. One may be 3 feet high and another layer would be 6 feet high, and you go up 90 feet. It was deposited at different periods in the geological ages.

There are places in my district that will have three layers of coal separated by rock in between. You sink a shaft to get to those. Where a shaft is down in the ground, if you can fill that with water—We had a mine years ago where the heavy weight of a flood broke the whole mine in. There were no men in it, but it killed some 100 mules.

If there had been men in there, they would have been instantly killed.

You can flood that type of mine. There are mines that just go back in the hill. There may be six holes back in the hill. That is more difficult to flood.

Mr. WRIGHT. If you seal the mine, seal off the oxygen, presumably you could put out the fire. But in some cases I gather that you are not able to seal all the inlets of oxygen.

Mr. SECREST. You can seal the mine if it is deep enough.

Take a mine 200 or 300 feet under the ground. I worked in a mine for years, in high school and in college.

In this mine, you went 210 feet straight down and back in the hill. You could seal off that mine. Under law, you had to seal the old works. When you worked under 100 acres, you had to seal that off, or keep air going through to keep gas from forming because you would have a big explosion.

It is possible to seal mines off completely, and sometimes they seal a whole mine with men in it.

Mr. WRIGHT. If you have gas in the mine, it is dangerous to seal it off?

Mr. SECREST. Not if you can seal it completely and do not cut into it. Where you get the danger is, if you seal off 50 acres over here, and you come along trying to work 50 acres beside it, and your

cutting machine cuts a hole through, that is dangerous, but that is a matter of concern for the engineers, to keep away from the old works so you will not cut in.

The mines I worked in were wet. If you abandoned one of those mines, in 6 months the mine would be absolutely full of water and coming up in the shaft. You have other mines with no water, that are dry.

And to keep the dust explosions down, they grind rock and put it on the coal dust to hold the dust down, otherwise you would have explosion from the coal from spontaneous combustion. It depends much on the type of coal and mine.

If you have a wet mine, you can do certain things you cannot do in a dry mine. Mine fires can be controlled. The ones where they break out again and again, they are close to the surface. The coal is not under 50 feet of the earth at most any point.

You can seal a deep mine and air will never get down there. You can flood it and pump it out and start mining over again.

Mr. WRIGHT. The gentleman has helped in my understanding of the problem. Thank you.

Mr. SECREST. It is a problem that can be solved and has been, and will be in many areas.

Mr. CRAMER. May I ask you a question?

I welcome you. I think his knowledge is of value to us.

You say cooperatively a solution can be found. The natural question that follows, why has it not been done in the last 11 years if there is a solution to putting out these fires? You have had 11 years under the program to do it.

What we are doing is adding a little more money to it. What makes you think it can be done under this program?

Mr. SECREST. It has been a question of funds. Funds have been limited. You can only do so much.

We tried in this big mine fire, and it has been burning since 1878. It is a slope mine. Rumor has it miners loaded a cargo of hay and started it down that shaft and it set the whole mine on fire and it has been burning ever since. It has burned millions and millions of dollars worth of coal.

That is the one we tried to stop by going ahead of it. That mine, it would burn under a hill and then you would go through the valley where erosion had washed all the coal away centuries ago and it would start in another hill.

They did tunnel around in front of the fire. They had old experienced miners that dug a shaft through, or dug a tunnel through. We call it an entry. It is a tunnel just like going from here to the House Office Building. On one side was a fire, on the other side was the good coal, and in the middle they packed wet clay. They drilled holes in and put the wet clay in and filled that up. They thought when it burned up to that, that would be the end of the fire, but it was not. It got around, through and over.

Maybe there was a little oil in the shale over the top because it would burn. It did not stop the fire. The fire still burns.

They can be stopped. The States have made an effort on this, but there has been a lack of funds.



Mr. WRIGHT. I do not know what the figure is under this section for fires.

The total for the whole section is thirty-some-odd-million dollars. I understand \$12 million would go to this.

Mr. SECREST. As far as I know, this is the only actual fire in the State of Ohio. There are none in my district now. There are fires that Congressman Flood referred to.

You bring the coal out of the mine and they have to clean it. That has slate in it and various impurities. They take it out and put it on the gob pile. That may be 100 feet high and go for a half mile. That has enough carbon in it that eventually spontaneous combustion will set it on fire and it will burn maybe 30 or 40 years.

It harms nothing except the people who live around it. The fumes are toxic in Pennsylvania. At Donora there were quite a number of people that suffered from it. People died. They get asthma or something from those gas fumes. It is a nuisance more than anything else.

In my part of Ohio we have used all those to build roads. We have gone in and hauled it away and we have done that for years and years. They do not make the best roads, but they make little township roads. We have hauled it all away, but it took 20 to 30 years to do that.

Mr. CLEVELAND. I am interested to hear of your qualifications in industrial development. This is something that has interested me.

In connection with your point about the necessity for sewers and waterworks to complete the facilities of a town to make it more attractive for industries locating there, it is my understanding, and the staff can correct me if I am wrong, that section 214 of the bill would give this supplementary amount of money so these communities can match funds in existing Federal programs up to 80 percent; but under the Water Control Pollution Act, you cannot build sewerlines.

Mr. SECREST. It is my understanding you cannot build sewerlines and waterworks.

Mr. CLEVELAND. It is just sewage treatment.

Mr. SECREST. This takes care of sewage treatment plants.

You have a section here specifically mentioning sewage treatment. I think that is good.

Mr. CLEVELAND. I would like to get into the record this—your objection to this bill is not taken care of by section 214; am I correct in that?

Mr. SECREST. I favor this bill 100 percent, everything in it.

The only thing that I am suggesting is, I think there should be specific provision for waterworks and sewers if you want to get permanent employment in Appalachia.

Mr. CLEVELAND. You may state you favor the bill 100 percent, and that is your privilege to do so, but you have also said this bill is not going to do the job that it is intended to do unless waterworks and sewage systems are added to it.

Was that not your testimony?

Mr. SECREST. I said the things in the bill in my opinion will do good, the provisions in it. It will do much more good on a permanent basis. You can build a road to a town of 1,000 people, and that gives them good transportation. That is an improvement. It is a help. But if they have a waterworks and a sewer, they can attract an industry into that town and use that highway for transportation.

It would be a better bill in my opinion if waterworks and sewers were provided for in it. It would be a much better bill.

Mr. CLEVELAND. Based on your experience in Ohio as director of commerce?

Mr. SECREST. That was for 7½ months. My time in Congress—this is my 10th term. I have much more experience, if you can count it experience, than I had as director of commerce, though I worked at it.

Mr. CLEVELAND. Is this a true statement—that this matter of getting new industries into communities, particularly small ones, is a highly competitive business?

Mr. SECREST. It certainly is. Every chamber of commerce in my district, and every other man's chamber of commerce in this country is fighting to get industry into his town.

Mr. CLEVELAND. Do you think it is fair in this competitive fight between these districts in the United States, do you think it is really fair to give this type of favored treatment to 365 counties in Appalachia, bearing in mind the fact that 65 of those counties, or 70 of them, never qualified under the ARA, or the accelerated public works program as being distressed?

Do you think that is fair really?

Mr. SECREST. I think it is just as fair as giving a poor pig a double portion of milk. We are so far behind, and have been so far behind through the years, the resources we have of coal, the timber on these mountainous regions have been taken, exploited, and there has not been a big coal owner in southeastern Ohio that ever thrived that ever lived there.

Where is Peabody coal? Where is Hannah coal? Where is Ohio power?

I am not complaining. I am tickled to death they are in my district, but the profits from everything they make goes somewhere else.

Mr. CLEVELAND. You do not think this can be said about other sections of the country?

Mr. SECREST. No, not in the same way, because other sections of the country outside have oil. They have not these things to be depleted.

Regarding your agricultural sections of the country, they put some more lime on and they grow more wheat. My district is not all Appalachia. Some counties are in it, but I have areas that are farmlands that are fit to farm, spotty and in little patches comparatively. But I do not look upon this as robbing one area to help another one. If I did, I would never vote for a cotton bill.

I voted for mass transportation, and Lord knows I do not need any subways, or anything else, but the rest of the country may need some of these things I do not get. This is one country.

Here is an area which in my opinion is worse off than any part of the United States. It has been exploited. If we had the timber back we once had, if we had the coal back we once had, if we had the oil back we once had, we would be booming, but it is gone. And all that is left is turned over hills, second-growth timber that is only good for bank crops, and I feel that it is not unfair.

I think it is good for the Nation if we can raise one level that is way below, raise it up somewhere near the standard. That would not hurt anyone. You will spend more on foreign aid this year than this will ever cost.



I do not see anything wrong with it. I think it is good legislation. If I lived in New York City and represented Wall Street, I would be the first one for this. I would be for more than I am.

I think the foundation of every city in the country depends on the rest of the country, and this is an area, a big area, that has been completely exploited and left nothing but some poor people sitting around on mountainsides.

Mr. CLEVELAND. There are parts of this area, more than 60 counties in this area, that are, relatively speaking, more prosperous than 3 counties in northern New Hampshire and, relatively speaking, more prosperous than a thousand counties in the Nation.

If this bill is fair and good for the area concerned, I think it would be much fairer and better if other areas similarly situated were included.

Mr. SECREST. I would object to nothing that would help your three counties if they need help. I think this is a continuous area, to leave one county out in the middle of West Virginia from the standpoint of administration and helping an area. I do not believe it would be proper. It is as near as you can draw a boundary. It was drawn by the Governors and not by me and this committee.

The Governors of these States picked out what they thought were the areas in their States that needed it the most. That really belonged in Appalachia.

Mr. CLEVELAND. Thank you, Mr. Chairman.

Mr. JONES. Thank you, Mr. Secrest. You have been quite helpful to the committee. The tallest man and the highest man in all Appalachia is our colleague, Mr. Taylor, of North Carolina. Nobody has spent more effort in the advancement of this legislation than our colleague, Mr. Taylor. We are particularly pleased to have you today.

#### STATEMENT OF HON. ROY A. TAYLOR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA

Mr. TAYLOR. Thank you.

Mr. HENDERSON. Mr. Chairman, may I comment before our colleague from North Carolina testifies, to the point that Governor Moore, whose statement was presented by our colleague Basil Whitener, is a constituent of the Congressman who is now going to testify, and I think the two of them were very wise to let the Governor's position be officially presented by our other colleague because the gentleman who is going to speak now can speak from personal experience to the problem.

Mr. TAYLOR. Thank you.

Mr. JONES. Mr. Taylor, before you start, to see there is nothing done here except the best behavior of North Carolina conduct, I am going to ask Mr. Henderson to preside while I go in there and take an urgent telephone call. Will you do that for me, please? I will be right back.

Mr. TAYLOR. Thank you very much, Mr. Chairman. You are correct in stating that my section is the high section of the Appalachian Mountains. We have Mount Mitchell and many other mountains reaching above 6,000 feet. At the outset I need to apologize

for a poor voice. This executive flu has spilled over to the legislative branch. It did not use the seniority system because it got to me quickly.

I want to commend the chairman and the members of this committee on the prompt action that you have taken in scheduling this important legislation for hearing so early. Also, I would point out, as I have noticed, that your interest in this legislation is demonstrated by the fine attendance which this committee has had here this morning. I am honored to appear before the committee, as I did when the bill was being considered a year ago, because this legislation is vital and it is important to the people of western North Carolina, to the entire Appalachian area, and to the Nation.

This is in my opinion the most important single piece of legislation to the people whom I am honored to represent in Congress which has come before Congress since I have been a Member of it. So I urge quick passage of the bill with all the forcefulness at my command. This is a program to rebuild and to revitalize the economy of the entire Appalachian area. The highway building proposals in the bill, coupled with other features, promise relief to a section which has suffered economically because of nonaccess, because of inadequate highway systems. The Appalachian area was settled in the early days by pioneers who were adventurers and not content to sit still, but wanted to advance and to explore and to seek new opportunities.

They moved to a rugged mountain area which offered a challenge and a promise and for a while that promise was realized. But as the years moved on, in many cases timber and mineral resources were depleted, and in recent years the people in the Appalachian area have been caught in the backlash of an industrial revolution. The revolution in American agriculture, which took the mule from the farm and replaced him with expensive farm machinery, destroyed mountain farming and made it uneconomical. Rough mountain land is not suitable for modern mechanized farming.

The 14 mountain counties which I represent lost 14,000 farm jobs between 1947 and 1957. In those counties in which industry did not come in to take up the slack, there has been out-migration, and there has been underemployment and there has been a great amount of unemployment.

In most sections of Appalachia, as in my area, the people have been trying to solve their own problems. Since 1948, the Western North Carolina Associate Communities has been an active organization promoting regional development in my district. This organization founded the Western North Carolina Regional Planning Commission which with the aid of a professional agency made an economic analysis and survey of the area, and the development report stated that the key to the development of western North Carolina is roads and highways, and I believe that is true of other sections of the Appalachian area.

I am strongly supporting the Appalachian bill. It offers hope and economic uplift to a section of our Nation, but I will confine my remarks in the main to the roadbuilding and highway construction provisions of the bill. Other witnesses, I know, have emphasized other features. Civilization moves with transportation, and transportation has been an important factor in the development of each



section of our great country. The Appalachian area lies close to great concentrations of people and wealth. We see them all around us. But isolation caused by inadequate highways and transportation facilities has prevented the extension of such growth and economic prosperity into the Appalachian area.

The establishment in this region of an adequate system of highways is the key to its development. Highways are needed to aid traffic congestion in some cases, but they are needed throughout the area as a means of promoting economic development.

By opening the door to transportation, we lay the foundation for private enterprise to come in and to build and to develop wealth and jobs. The area is rich in climate, rich in water, rich in timber resources, and in human resources. Make the area accessible with modern highways and these resources will bring about its development along industrial and recreational lines, and will convert it into a land of promise.

I commend the President's Appalachian Regional Commission headed by Franklin Roosevelt and the House Public Works Committee and others who have worked on this bill on placing the main emphasis on highway construction. I believe that they have been right and you have been right in determining that some 85 cents of each dollar spent should go for highways. Federal spending in the Appalachian area has not been in proportion to its population. In 1963 the area had 8.5 percent of the country's population but received only 4.9 percent of the dollars spent by the Federal Government. This area has always been short in military and defense spending. So the Appalachian program is not a handout. It will be aiding this section in getting its proportion of the tax dollars spent by the Federal Government.

Now the various sections of our great country have individual needs and they have problems. In some cases the economic need is harbor development. In other cases dredging of rivers for commerce or other construction is needed. Out West the need is development of water resources. I have supported programs and will gladly continue to support programs to meet each of the great needs.

In the Appalachian area our need is access roads and highways. It is important that Congress take effective action to meet this great regional need and approve the Appalachian development program.

I have spent most of mytime on roads but I am supporting all features of this program, and I can assure you that in carrying out this program, it will get 100 percent cooperation from North Carolina.

Thank you, gentlemen.

Mr. HENDERSON. Mr. Taylor, I want to commend you for your entire statement. I think it was well done and effective. But, particularly, I would like to comment on your last paragraph of the statement. As a distinguished member of the Interior Committee here in the House and as a Member of the House, I can testify that you have recognized the needs of the other areas of the country, and I would like to comment that you and I have had much conversation with regard to this bill. I know that you recognize the needs of even my congressional district where perhaps harbors and river dredging have been recognized by you as important as the highways and mountain areas you represent. For the benefit of the record of the committee,

I would like to say that I think your statement here, as you concluded, was sincerely made and one that you have expressed by your action.

I commend you for your appearance today.

Mr. TAYLOR. Thank you, Mr. Chairman. As each of us sit on the House floor we so often look at that quotation in front of us; "Let us develop the resources of our land." As we think in terms of that, we have to face problems as they exist in each section.

Mr. HENDERSON. Are there any questions?

Mr. BALDWIN. Yes, Mr. Chairman.

Mr. Taylor, you certainly have represented the needs of the people of your district very effectively this morning. Let me ask this question: Are you familiar with the Senate amendments that were added to this bill, particularly the Lausche amendment dealing with strip mining?

Mr. TAYLOR. Somewhat.

Mr. BALDWIN. You have cases of strip mining in your counties?

Mr. TAYLOR. No; that is not a problem in my area.

Mr. BALDWIN. My question was going to be whether you had any views for or against the Lausche amendment. I might read it for your information. It says that—

No moneys authorized by this act shall be expended for the purposes of reclaiming, improving, regrading, reseeding, or reforestation of strip mine areas except in lands owned by Federal, State, or local bodies of government until authorized by law after the completion of the study and report to the President as provided in subsection (c) of this section.

The impact of that amendment as I understand it is that without that amendment there could be Federal funds used for reclamation of strip mine areas even if they were in private possession. With this amendment it would only authorize the use of Federal funds on strip mine areas if those areas were in public ownership. In other words, there would have to be some kind of local redevelopment association to acquire the land before any Federal funds could be used in connection with it.

Do you have any views for or against this amendment?

Mr. TAYLOR. I have not given much study to that particular amendment because my area is not a mining area.

Mr. BALDWIN. Thank you.

Mr. HENDERSON. Mr. Cleveland.

Mr. CLEVELAND. I just want to say that I think your statement is an excellent statement and you graphically portray the problem in parts of the Appalachian Mountains where agriculture has yielded to modern techniques of farming and where the forests have been cut over and not properly replanted and because of the mountainous terrain access roads and development roads are badly needed and are perhaps the key to future economic development. I want to commend your statement but I want to remind you that there are other parts of the Appalachian Mountains not included in this bill which have, at the same time, the problems described in this bill. Also counties which are remarkably favored economically, 70-odd counties which never qualified for Area Redevelopment Act or accelerated public works programs because they were so favorably situated. Do you really think it is fair to have legislation like this where it can be clearly shown that there are regions very similar to your own that are ex-



cluded from the scope and benefits of this bill. Do you think it is fair?

Mr. TAYLOR. Yes; I think it is fair. This is a comprehensive program that was worked out by Federal-State cooperation. It covers a large area—an area where there is a real need. I think we need to face this problem today. In other sections there are other problems which we need to face tomorrow.

Mr. CLEVELAND. I refer to sections that have precisely the same problem as your district: the agricultural revolution and mountainous terrain. The same problems you have so eloquently portrayed in your exceptionally fine statement.

Do you really think it is fair to leave out sections that way? Do you really think so?

Mr. TAYLOR. When a bill taking care of some other section comes before us, I would certainly give it serious and sincere consideration.

Mr. CLEVELAND. Thank you.

Mr. JONES. In that connection, you had an opportunity to vote for an appropriation of \$5 million to make a survey of the New England States water resources. You did not think that was so provincial that it inhibited you for voting against it.

Mr. TAYLOR. I was glad to support a program of that type. As Congressman Henderson just pointed out, as a member of the House Interior Committee we are continually working on development programs for the Western States. We are going to deal with water resources which is a great problem out there. That affects only one section of the country, but as we develop our Nation we have to study the needs of each section and face them.

Mr. CLEVELAND. I recognize what you say, and I also recognize what the chairman has said, but the fact is that this is a comprehensive bill that seeks to strengthen these disadvantaged rural mountain areas. It is the first time that anybody can tell me when legislation such as this has been so completely sectional, but when by mere expansion of the terms of the act other areas, almost identically situated, could be treated under the act. For example, rivers and harbors legislation obviously has to be confined to those States that have rivers and harbors. Although it is true that we had a study of New England water systems, we have also had studies of the water systems in all other parts of the country. You, yourself, say that the guts of this bill is the development of access roads. But we have never had a national highway bill that has built highways in one part of the country and not others. It has always been fairly distributed throughout the Nation. This is the point I am trying to make.

Mr. JONES. If the gentleman would yield, I appreciate the fact that seems to be the central theme of all your interrogation of the witnesses, Mr. Cleveland, but I think there is no historian who has examined the historic development of our country, who claims that is a discredit to the argument and has never been accepted by this country. We have to meet it by leaps and bounds.

If your community is in the distress area, that is a concern for all of us.

Mr. CLEVELAND. What I am pointing out, Mr. Chairman, is that there are several sections of my district and I am sure several sections of other districts in this country that badly and seriously need develop-

ment roads and access roads. I do not think it is fair to have highways built in one section where highways similarly built in the other sections of the country would help economic development.

Mr. JONES. How are you going to take the measurement of priorities for a road in Alabama as compared with the necessity of a road in Harlem? You figure that one out, then you have it down to the zero point. Then we do not do anything for anybody.

Mr. WRIGHT. Mr. Chairman, if the gentleman will yield, we have discussed this basic philosophy at some length here in the course of these sessions and I respect the gentleman's convictions. But in addition to all of the other programs which we have pointed out from time to time which are regional in their application, I think the gentleman could regard the agriculture program of the Nation as being regional in its application. Not only do crop supports, for example, apply to certain stipulated crops, the very requirement in that program that in order to qualify for crop supports one must have established a history of growing those crops absolutely freezes that program and prevents its application to any other area.

Mr. CLEVELAND. Would the gentleman yield right there?

Mr. WRIGHT. Surely.

Mr. CLEVELAND. Any agricultural program that I am familiar with still treats agriculture as a national problem and any farm that is raising that particular product anywhere in the Nation gets substantially equal treatment. They are national programs. Because all of the wheat farming may be in the West and all the cotton farming may be in the South does not change the point I am trying to make, which is equal and fair treatment between the several States on those programs that can be applied equally and fairly among the several States.

I want to come back to this point again before I yield. I think what bothers me the most about this is that here we are in the Public Works Committee, where year after year we have developed the highway system of this Nation, of which we are tremendously proud and which has worked out formulas for the distribution of the Federal highway dollar throughout this broad Nation of ours as nearly equally and fairly as possible, and here we have a program which, as this witness has said, is really a roadbuilding program, but in which we are not being equal and fair to the several States in this program.

Mr. WRIGHT. If I might simply say to the gentleman, the Bureau of Reclamation program does not apply fairly and equally. It applies to stipulated States. I have some others that I would like to mention because this is nothing new. The Bureau of Reclamation program applies to 17 States. The Tennessee Valley Authority program applies to a stipulated area of our country. At the time it was installed that area was our great distress area in the United States. Just as today Appalachia is manifestly our great distress area. You could make that charge against any one of dozens of programs that the Federal Government has authorized and passed. I have voted for those programs as I am sure the gentleman has.

The gentleman mentions distressed areas in his own section.

Mr. CLEVELAND. I was not here when they voted for the TVA.



Mr. WRIGHT. When accelerated public works was up he would have had a chance to vote for his own area. I do not know whether the gentleman voted for that or not. It is his business. I did, although my district does not qualify for it, because I felt it was a national problem. Where the strength and fiber and vitality of little isolated pockets scattered throughout the country or one whole region centralized in one section of the country, retards and holds back the economic growth of the whole Nation, I think it is a national problem.

I think Appalachia is a national problem.

Mr. JONES. If you will yield, Mr. Cleveland, last year you voted for a bill, Public Law 88, of August 13, for the enactment of the Federal Highway Act which provided for \$33 million for forest highways which go to a particular area.

You voted for forest development roads for \$85 million which were peculiar to the West. You voted for public lands development roads and trails of \$2 million, and \$2 million for the next fiscal period.

No. 5, you voted for park roads and trails of \$23 million. Those were in various States and not in all of them. You voted for parkways of \$11 million, and those \$11 million were to be expanded in about nine States. You voted for Indian reservation roads and bridges to the tune of \$18 million. Then you voted for the public lands highways of \$7 million.

I just say I do not know that consistency is always a virtue, but the point is that you cannot very well just localize these problems and say that since they are not universal, we cannot do anything about them.

Mr. CLEVELAND. Mr. Chairman, it is true that I voted for those appropriations but every single one of those appropriations—

Mr. JONES. You voted for these authorizations.

Mr. CLEVELAND. I voted for the authorization and voted for the appropriations, too, but the thread that binds all of those together and the reason why that is not inconsistent with my position here is that those were for roads and bridges on a nationally owned land of the Government of the United States and the tax dollar that is paid by citizens of the United States goes into land owned by the citizens of the United States.

I do not think there is anything inconsistent in voting on those appropriations, and my objection is to this bill's unfair and preferential treatment.

Mr. JONES. It helps the economy of an area.

Mr. CLEVELAND. It was on Federal property owned by all the citizens of the United States. It is not where it is located that counts.

Mr. JONES. The highways and parkways were acquired by the Federal Government. They paid for those. You voted for the extension of the Skyline, the Mississippi driveway. Those things are not any different from what we are trying to do here.

Mr. BALDWIN. Mr. Chairman, I would suggest that we get on with the hearings.

Mr. JONES. I do, too, Mr. Baldwin.

Mr. TAYLOR. Thank you very much, Mr. Chairman.

Mr. JONES. We are pleased also to have with us this morning the Honorable Tim Lee Carter of Kentucky.

Dr. Carter, it is a pleasure to have you, please.

**STATEMENT OF HON. TIM LEE CARTER, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF KENTUCKY**

Mr. CARTER. Thank you, Mr. Chairman, distinguished members of the committee, ladies, and gentlemen.

I appreciate the opportunity afforded me to appear here today since I happen to come from the heart of the Appalachian area. All 20 of my counties are in this depressed area. I think you can readily understand my interest—my extreme interest—in this problem. We have seen this developed over a period of years. In 1910—just that late—Harlan County in Kentucky first became a coal mining area. At that time, the population of Harlan County was 10,000. Within a period of 30 years, the population had grown to 70,000. Due to automation, and due to competition from oil, gas, and other means of heating, Harlan County and other mining counties of this area became depressed areas. Thousands of people were out of work and are still out of work.

The population of Harlan County has dropped from 70,000 to approximately 40,000. The mines are still undergoing automation. More people are thrown out of work daily. This county does need help. I feel the whole area which mines, and also has difficulty at the present time with its railroads, needs help, too. This section of southern Kentucky has been neglected a little bit as far as our highway system is concerned. At the present time, there are only two small areas in which highways are being built. We have very few A class roads. To be in Harlan County, and to travel those roads where thousands upon thousands of tons of coal go out each day by truck, we see the roads are terribly inadequate to carry those loads of coal. We see so many people who are impoverished and are living under unsanitary conditions. We realize, from this, the necessity of this bill.

We feel that the bill should not be concentrated on one particular area. Certainly, we think the highway system should be included and should be improved—the parkways and interstate highways which Kentucky has had. This district only has a very few miles. We need more of those to open this area up.

We have made some small beginnings in the Federal aid to education in our trade-and-industry schools. I must say that these schools are performing a wonderful function. Boys and girls, trained in these schools, are in demand. People who have been out of jobs, because of automation, and so on, are retrained.

Again, they are able to get new jobs. I think that is another arm which is adequately covered or partly covered by the present bill. Another area to which I want to commend the proponents of this bill is that of sanitation. Certainly I think we should have a chance to have better water facilities, sewage disposal plants in this area and, again, health facilities. Diagnostic and treatment centers should be provided in this area.

Mr. JONES. Doctor, in that connection, I would like to call your attention on page 16 of the bill, section 202, and sections (b) and (c), which provides for the construction of regional hospitals and health facilities.

Mr. CARTER. Yes, sir.



Mr. JONES. I am quite sure you have given particular thought to those sections of the bill, being a physician. We would certainly welcome your comments on those. If you do not have a copy of the bill, the clerk will give you one.

Mr. CARTER. I have one. I introduced this as a companion bill in the House, sir. I want to commend Senator Cooper, our senior Senator from Kentucky, and Senator Randolph for their part in the bill. Also the part which has to do with improving our roads and streams so far as conservation practices are concerned. I certainly want to commend them on that. Again I feel that, since much of this area is in the Cumberland Forest area and is owned by the Federal Government—in some counties as much as 95 percent being owned by the Federal Government—the aid on strip mining which is under question, due to the amendment of Governor Lausche, certainly I think we should have that aid in these particular areas. To see the devastation wrought by the hand of man is almost beyond comprehension. To see your streams filled up, and floods resulting from that, is serious. I am 100 percent for this bill. It could be improved a little, as far as making it possible for us to have better water facilities and better sewage disposal and so on.

I want to thank you, Mr. Chairman, and the gentlemen of this committee.

Mr. JONES. It is a pleasure to have you, sir.

Mr. CARTER. Thank you, sir.

Mr. JONES. Are there any questions?

Mr. BALDWIN. Mr. Chairman, I would just like to say that Mr. Carter is a new Member of the House this year so this is, undoubtedly, one of his first presentations before a committee. I want to commend him for the excellent manner in which he has presented the case for his constituents.

Mr. CARTER. Thank you, sir.

Mr. CRAMER. I, too, am glad to welcome you to the Public Works Committee and know you will probably be back again from time to time.

Mr. CARTER. Thank you.

Mr. JONES. We are exceedingly pleased that you have come by today to give us your views on this bill.

Mr. JONES. Our next witness will be our colleague, the Honorable Charles McC. Mathias, Jr.

#### **STATEMENT OF HON. CHARLES McC. MATHIAS, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND**

Mr. MATHIAS. Mr. Chairman, the bill before the committee today is of vast importance to America. I am pleased to be a cosponsor of the bill by having introduced H.R. 2996. Millions of our citizens live in the Appalachian region and millions more have their roots in this land of mountains and valleys of great natural resources, of scenic wonder, of a proud, determined people.

Part of Appalachia lies within my congressional district so I speak with a personal and proud familiarity about it. The three westernmost counties of Maryland, representing 1,600 square miles and a population of nearly 200,000 comprises that part of the Appalachian region it is my pleasure to represent.

Mr. Chairman, the people of this region have understood for a long time now that they were not maintaining an economic expansion commensurate to the needs of the area, and this despite the high degree of local initiative that has been put forth. The people in my area began, back in 1960, to find ways in which they could fulfill their economic potential. The establishment of the Western Maryland Economic Conference in 1961 was a step in this endeavor. Drawing together various interest groups involved in this problem—agriculture, business and industry, labor, Government—we studied and discussed the situation with which we were confronted, in the hope that the exchange of ideas would bind us together and yield a fuller understanding of how to combat depressed industry, depressed agriculture, and unemployment.

From this conference, Mr. Chairman, we agreed upon the need to retain and emphasize local initiative. We were able to establish liaison between the counties and communities involved and to agree upon the need for a united effort to uplift the entire area; indeed, an entire region of the country.

Now, we are at the point of needing further assistance. Individuals, communities, counties, and States are ready and willing to act in a concerted effort with the Federal Government to attack the problems of the region. As partners, we can accomplish much.

One of the great needs of the area is better and more roads and highways. We need roads in order to economically convey the substantial natural resources of the area to their markets. Highways can and will open the area to tourism, a real and largely untapped potential for this region of astounding beauty.

Another great need, Mr. Chairman, is the appropriate development of water resources—water needed by industry, water needed by the people for consumption and recreation, and the dams, of course, for flood control and protection.

Where highways may benefit one area most, dams may benefit other areas better. We have, in my opinion, to consider the economic differences of the region and maintain a flexibility that will enable us to assist communities and counties in the manner in which they most need assistance.

I realize the committee may be of the sentiment that changes should perhaps not be made in the bill as now proposed. But, the Senate has seen fit to amend the bill to include an area of New York.

I am hopeful that we can see our way to broadening the substantive provisions of the bill to include more attention for water problems and community projects such as sewer development.

Many needed community projects cannot be built without grant moneys because many communities cannot bear the total cost. At a future date it might be possible, having experienced economic growth, to bear such costs. But without help now we get into the problem of which comes first, the chicken or the egg.

Economic development and expansion is dependent upon adequate facilities for industry, and with adequate facilities we can develop and expand. Without them, we cannot. Thus, many community facilities are needed now.

I want to return for a moment to the matter of water resources. Our President has seen the need for such development in my area.



On his tour of the Appalachian region the President stopped in Cumberland. He said:

Your Senators tell me that the Bloomington Dam would attract industry, increase jobs, help Washington water supply, and provide a great deal of happiness for the people of Cumberland.

We must find ways to expedite this project because it will provide employment for unskilled labor and at the same time provide a greater flow from our watersheds.

Mr. Chairman, what the President said is true, and this bill provides the opportunity for us to fulfill the need of which the President spoke.

Abundant in human and natural resources, in labor supply, with water potential, and a determined spirit, this area can thrive. As I said at the outset, individuals, communities, counties, and States are ready to move. Federal cooperation and assistance are necessary. This bill provides the opportunity for appropriate and meaningful cooperation and I hope it will be enacted.

Mr. JONES. Thank you, Mr. Mathias.

Our next witness will be our colleague, the Honorable John P. Saylor, of Pennsylvania.

#### STATEMENT OF HON. JOHN P. SAYLOR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. SAYLOR. Mr. Chairman and members of the Special Subcommittee on Appalachian Development, I appreciate this opportunity to discuss with you legislation to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region. My interest in this legislation is based upon several factors—not the least important of which is the fact that the three counties I have the privilege of representing in the Congress are included in the definition of the Appalachian region. However, I am also interested in this legislation because of a sincere belief that we, as a nation, can be only so strong economically as our weakest part.

I do not think it is necessary to reiterate the dismal statistics indicating the unfortunate economic conditions in Appalachia for these data have been repeatedly spread upon the record of public hearings before distinguished committees of both bodies and upon the public conscience by national communications media.

Mr. Chairman, I have introduced H.R. 146—an Appalachian regional development bill. Primarily, my bill is identical with the bill which was reported favorably by the House Public Works Committee last year. Therefore, it does not include the various changes from last year's bill which were included in H.R. 4 this year.

I do not have any objection to the various changes contained in H.R. 4. There is one significant difference between my bill and H.R. 4 which I would strongly urge the committee to incorporate in any bill favorably reported. This change is found in the provision for an Appalachian development highway system contained in section 201.

Section 201(f) of my bill provides for a maximum of Federal assistance up to 80 percent of highway construction costs as compared with a maximum of 70 percent in H.R. 4. This proposed increase of 10

percent in the Federal contribution could have a significant, beneficial effect on developing an Appalachian highway system in the area which we all admit is suffering from severe economic distress. As an indication of the hardship which the 30 percent State contribution under H.R. 4 would place on States in the region, may I call your attention to a statement made by Gov. Hulett Smith, of West Virginia, before the Appalachian Subcommittee of the Senate Committee on Public Works January 21, 1965.

The Governor said:

I must say in frankness that even 30 percent of the cost will be difficult to provide in a State such as West Virginia, which lies entirely within the Appalachian Range and has a limited capital base from which to draw revenues for highways. However, we are determined to do our best.

The good folks of West Virginia may be determined to do their best to meet the 30-percent State contribution to highway construction, but it seems to me if the Congress sincerely wishes to provide real help, the State contribution should be reduced to 20 percent.

There may be some areas of the Appalachian region that would be better able to make a large contribution to highway construction. Establishing the 80-percent maximum on Federal contribution would permit some areas to carry a larger share of the program if they were financially capable. Mr. John Sweeney, chairman of the Federal Development Planning Committee for Appalachia, told the Senate Public Works Committee that he thought all the highway program would be built on the 70-30 basis. This is not required by the act but rather it is permissive. For this reason, I feel it would be more beneficial to increase the ratio from 70-30 to 80-20 and require some areas to come into the program at less than the maximum Federal participation. I think this section could still be carried out within the \$840 million authorization for appropriation even with the increase in maximum Federal participation in some States.

Mr. Chairman, despite my general approval of this legislation, my reading of the Senate committee report on S. 3 (S. Rept. 13) has caused me a little bit of concern as to whether we are inadvertently including some new guidelines for water resource development. The Senate committee report states on page 16:

The committee also understand from testimony that, in conducting the water resources survey, the Corps of Engineers will not delay authorized study programs or the reporting of existing studies which contain favorable recommendations. Further, the committee understands that this section will enable the Corps of Engineers to review areas where in the past it had not been able to recommend development work under existing criteria, and the committee understands that revised reports will be made on projects which might qualify under criteria developed from this act.

I would suggest that any witnesses from the Corps of Engineers to appear before this subcommittee on H.R. 4 be questioned in depth as to what sort of development work which the corps has been unable to recommend under existing criteria that might now be possible under criteria contained in this act.

Mr. Chairman, again I would like to express my appreciation for this opportunity to present my views today and repeat my sincere urging that the committee favorably consider my suggestion to in-



crease Federal participation on the highway program to a maximum of 80 percent.

Mr. JONES. Thank you, Mr. Saylor.

Our next witness is our colleague, the Honorable John Watts.

**STATEMENT OF HON. JOHN WATTS, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF KENTUCKY**

Mr. WATTS. Mr. Chairman, I appreciate this opportunity to appear before this committee and testify in behalf of H.R. 4, the Appalachian Regional Development Act of 1965, legislation to provide public works and economic development programs, and the planning and coordination needed to assist in the development of the Appalachian region.

Bounded by mountains which appear strong, but keep it chained in weakness, Appalachia stretches from the depleted red clay of northern Alabama, across eastern Kentucky, to the barren coalfields of Pennsylvania. Despite the fact that federally aided welfare payments in the area total \$41 million a month, the region and its 15 million inhabitants remain impoverished, enervated, and without hope.

Unfortunately, this Federal assistance is merely a holding operation treating only the outward symptoms and helping sustain conditions as they are, rather than curing the disease. The enactment of H.R. 4 would initiate an attack on the causes of the disease, as should be done.

Tragically Appalachia lags far behind the rest of our Nation in employment, education, and housing. In Appalachia one family in three lives on \$3,000 a year or less, compared to one in five for the rest of the Nation. And in Kentucky our people in Appalachia have the lowest median income of any of the 11 affected States—\$2,302.

In this impoverished section of Kentucky the unemployment rate is high. In 1962, it was 8.4 percent compared to 4.1 percent for the rest of the State. Over a fourth—28 percent—of Kentucky's population resides in this needy area.

The late President Kennedy was shocked and disturbed by the human misery he saw when he toured Appalachia. Now President Johnson has declared an all-out war on poverty so these long-neglected human beings may be restored to a decent, respectable place in society and share our Nation's economic wealth as is only equitable. In order to achieve this goal, a well organized and planned campaign on all fronts must be mapped. No war was ever won piecemeal fashion. And the war in Appalachia is no different.

The bill before this committee represents a concerted war against poverty. The proposed plan to develop highways and access roads into Appalachia is essential. It will open up areas and create developmental potential where commerce and communication have been impossible in the past because the areas were inaccessible.

In addition to benefiting the residents and contributing to the industrial potential, a good road system will provide recreational potential and attract tourists to the area. An adequate network of roads will also contribute to developing a consolidated school system.

Programs, as provided for in H.R. 4, to use more fully the region's great natural resources of coal, timber, and arable land, will help bring prosperity to this region. Today the hardwood forests of Appalachia are producing at only a mere fraction of their true capacity.

The construction of facilities to utilize and to control the abundant rainfall of Appalachia will enhance the future of this region. The establishment of an upstream program will reduce floodwater, sediment, and erosion damage on the flood plain where most of the region's investment is concentrated.

It will provide a municipal and industrial water supply and also water quality control. Today 77 percent of the population in Appalachia has either no public water supply or has one that does not meet health standards. The construction of sewerage treatment facilities will prevent the pollution of the region's streams and protect the health and welfare of the people.

The enactment of those provisions of H.R. 4 which provide for the full restoration of the greatest of all natural resources—the human beings who live in this area—is essential. Of extreme importance is the proposed vocational education program. Only through increased education will the potential of the people be developed, making them truly independent and self-sufficient and full members of society. The improved health facilities proposed will contribute to the basic physical health and welfare needs of these people who have just barely existed for so long on a meager diet.

I believe that one of the most compelling reasons many people are rallying to support this legislation is the fact that private enterprise will be the ultimate employer in Appalachia.

We in Kentucky believe, as Under Secretary of Commerce Franklin D. Roosevelt, Jr., has stated, the Appalachian blueprint provides “a plan to create an economic base on which private enterprise can build.”

Due to the intertwined complexities of Appalachia, the Federal Government must act on many fronts to rehabilitate the area initially, but only if private industry is the ultimate employer will the economic future of the region be secure. The programs as proposed in H.R. 4 would stimulate and improve Appalachia to a level where private industry would be encouraged to establish new plants.

Of the counties specifically listed in the legislation comprising Appalachia, six are within the Sixth District of Kentucky which I have the honor of representing in the Congress. I am intimately familiar with the needs of these counties, and I believe they reflect the general need of the entire Appalachian region.

I feel that the enactment of H.R. 4 would give this area, neglected for so long, an opportunity to reenter society and share equally in the great bounty of our prosperous Nation.

Mr. Chairman, I should like to point out at this time, I believe that with the enactment and fulfillment of H.R. 4, designed to rehabilitate Appalachia, we may also acquire information helpful in solving a growing nationwide problem. Appalachia may well be the first step by a government—through rehabilitating displaced workers and guiding them to useful lives in another endeavor—a first step to preserve the Nation itself from internal revolution and decay, due to automation producing more and more goods but requiring less and less workers.



In our country today, we are faced with an exploding population, yet each week the number of jobs available decreases by about 40,000.

What occurred in the hills of eastern Kentucky may portend what could happen elsewhere. The coal workers of eastern Kentucky are men who were callously rejected by industry. The depression of the thirties destroyed the prosperity of eastern Kentucky. World War II's needs for coal revived the mines for a short time. After the war, however, the relentless march of automation began trampling the bodies and very life spirit of the men who had once earned their livelihood in the mines.

These spiritless men were left to subsist on Government dole and cope with their personal despair as best they could.

Today, the trend in industry is toward more and more automation. This cannot help but result in still greater unemployment and if these workers, displaced by machines, are not kept within the fold of society, they will become explosive kegs of human dynamite. We must begin now to think in terms of the "whole" man and his role in society. We cannot just give him bread and say, "Leave us alone."

I feel Appalachia is the first great step toward solving the root of a problem now spreading its tentacles underground, beneath the firm foundation of the U.S. industrial might.

We must meet the challenge of the new frontier of social justice. Able-bodied men should not wallow in idleness surrounded by an abundance of unperformed tasks.

We can learn from rehabilitating the men of Appalachia and this region. We can learn so that we can avoid similar pitfalls which will occur elsewhere as the industrial revolution of automation marches inexorably forward. I believe that Appalachia is well planned and that its success is assured because it is firmly based upon responsible cooperation between private industry and the Government, and both parties do care—do care what happens to these souls and to the future of our entire Nation.

I know that this committee when it reports the Appalachian bill will have given it every thorough consideration, and I am confident that whatever bill comes out of this committee will be a sound piece of legislation.

It has been a pleasure to have the opportunity of addressing you today.

Mr. JONES. Thank you, Mr. Watts. We will now hear from Congressman Stubblefield from Kentucky.

#### **STATEMENT OF HON. FRANK A. STUBBLEFIELD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KENTUCKY**

Mr. STUBBLEFIELD. Mr. Chairman, bounded by mountains which appear strong, but keep it chained in weakness, the Appalachian region—which includes 11 States and stretches from northern Alabama across eastern Kentucky to Pennsylvania—is a vast region in which one of the great war efforts against poverty is to be waged.

The President has declared all-out war on poverty in our advancement to "the Great Society." Let us begin by focusing needed attention and help on the long-neglected human beings of the 355 counties included in Appalachia that they may be restored to a decent, respectable place in society and share our Nation's economic wealth.

All of us are aware that no part of our Nation can boast of its economic wealth and material achievements as long as this blight remains with us—an eyesore leaving the region's 15 million inhabitants destitute and without hope. It is little wonder that they feel devitalized when one realizes that the Federal assistance poured into the area has been only a "holding" operation at best. In order to solve the problem, we need to get at its base—not just treat its outward manifestations. Mainly, because this proposed legislation attacks the causes, rather than the symptoms, of poverty, it has such a great potential for the stimulation of self-help and industrial growth.

It is my firm belief that the enactment of the bill now being considered will build the right kind of economic foundation. In fact, one of the more important reasons that people from all levels of our economic strata, so to speak, are rallying behind this legislation—including our businessmen—is the realization that private enterprise will eventually be the employer in the Appalachian area. The plan before this committee is one that provides creation of an economic base on which private enterprise can build. It is impossible to overemphasize the goal of this program—all is aimed at bringing to this region and its people full benefits from full participation in their Nation's society and economy. This kind of activity makes one proud to be a part of it all and pushes him on to great individual achievements on his own, once he has been provided the necessary means of helping himself.

Officials from Kentucky—both last year and again this week—have appeared before this committee to spell out the various needs in our State which can be alleviated—and in several cases entirely wiped out—by this development action which is so desperately needed. They have explained how Kentucky has already made use of many of the devices of the total program now being considered by this committee. The tragedy is that Kentucky, like many other States included in the Appalachian region, has already employed the maximum limits of her resources. Yes, Kentucky recognizes its need for Federal help and humbly asks for it while, at the same time, pledges her fullest efforts to continue to justify the help extended.

The Appalachian regional program is, in its simplest terms, a strategic design for the conduct of all programs and plans within this region that they may meet most effectively the developmental, rather than the general, purposes with which they are concerned. For example, one of the more important features of this program is to provide for the construction of highways. These roads will give access to areas and create development potential where commerce and communication have been impossible in the past for the very reason that there was no way into these areas. Not only will this benefit the residents and contribute to the industrial potential, but an adequate road system will provide recreational potential and attract tourists to the area. Kentucky now operates a number of vacation parks in the Appalachian area. These parks give recreational opportunities to citizens of the area. In addition, they are the nucleus of the tourist industry which is the main income in some of the localities where they are located. Only as commerce with America comes to the Appalachian region will it come to eastern Kentucky and the rest of our State. This is only one of the reasons that Kentucky is for the entire Appalachian regional developmental program; it is realized that the economic activities of



all areas of the region are so interrelated as to require the regional approach if the desired results are to be achieved.

Not only are the proposed programs, spelled out in this legislation, tailored to meet the special needs of transportation, but in such matters as mining area restoration, stream pollution abatement, and improved exploitation of natural resources, the regional development concept is the key to success of the undertakings. Development has been the keynote of both State government policy and community life in our Commonwealth. All of our State programs—education, health, highway building, water resources development—have been geared to those objectives which will help to create in Kentucky the job opportunities and levels of living all our citizens need.

I shall not elaborate on other developmental programs and studies included in this overall plan, for I believe enough has been said in behalf of these special Federal programs which are necessary to spur economic development of this entire region. In approving this legislation, we shall make good on President Johnson's promise to help pull poverty-ridden areas out of the rut of economic deprivation, and remove this eyesore from the Great Society's foundation.

Thank you, Mr. Jones.

MR. JONES. Thank you, Congressman.

We will now hear from Congressman Stratton of New York.

#### **STATEMENT OF HON. SAMUEL S. STRATTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK**

MR. STRATTON. Mr. Chairman, I appreciate the opportunity to appear before this committee to urge the inclusion in the so-called Appalachian bill of the amendment offered by the Senator from New York, Mr. Kennedy, making it possible for the Appalachian Commission, in consultation with the Governor of New York State, to consider including in the program some 13 counties in southern and central New York State which geographically and traditionally form a part of the Appalachian region.

I am well aware of the tentative nature of the amendment which the Senator succeeded in including in the bill. I am aware that it does not spell out these 13 counties in words. I am aware that any inclusion of New York counties would require approval of the Governor of New York, and I am aware that in previous years he has turned this proposal down. I am aware that the inclusion of New York counties would also require approval of the members of the Appalachian Commission representing 11 other States. And I am also aware that merely to include these New York counties will not guarantee the extent of the assistance they might receive.

Moreover, Mr. Chairman, I am frank to say that if I had my own way in selecting the particular type of legislation I would prefer to meet some of the needs of the areas in upstate New York which I have the honor to represent in this body, then I would prefer the accelerated public works approach or the Area Redevelopment Administration approach, both of which programs have succeeded very well indeed in my area and have won great favor with the people regardless of party affiliation.

But I am also able to read, Mr. Chairman, and I can see that this bill is going to pass the House and is going to become law. It has behind it not only the support of the Senate but also the very substantial momentum of the administration. I am realistic enough to know that proposed extensions of these other two programs are very much up in the air at the moment. And so, knowing that New York needs help, and wanting to try to provide that help, the wise thing seems to me to be to make an effort to have my State included in the Appalachian bill. I particularly commend Senator Kennedy for having recognized this need and for having successfully added his amendment to this bill.

This New York amendment is not just a matter of another area trying to get in on the "gravy train," as some have suggested. Southern New York is traditionally and geographically a part of the Appalachian region. The average income of the 13 counties spelled out in the Senate debate is on par with the income of the Appalachian region as a whole, and is indeed lower than some of the areas already included within the program.

A major share of the funds of this program are designed for road construction. This is something which is desperately needed in the 3 counties in this 13-county area which I have the honor to represent. In the central portion of New York State, we need modern highways to provide more ready access to communities which are off the super-highways and are not readily accessible either to airline terminals or railway depots. In fact, our need for modern highways may well be as great or even greater than that of any part of the rest of the Appalachian area.

There is also a substantial need for help in the development of sewer and water projects, both of which are increasingly important in helping a community attract new industry and new residents. No financial assistance is available from the State governments on either score. And there is need, too, for help in flood control projects, as the bill proposes.

There was some initial hesitation in upstate New York, Mr. Chairman, and in the district which I have the honor to represent, over the original announcement that the distinguished junior Senator from New York had succeeded in getting some of our counties added to the Appalachian bill. But after responsible officials became aware of the kind of help this legislation would provide they expressed a very considerable interest in having it available to their communities. I am pleased to report this reaction to the committee, and I am certain that assistance under the program for these counties would be in fullest accord with the objectives of the legislation.

For this reason, Mr. Chairman, I urge that the committee retain the Kennedy amendment. May I conclude by quoting a comment that appeared in the press the other day from Mayor Albert S. Nader of the city of Oneonta, in Otsego County, one of the counties included in the Kennedy amendment:

It is no sin to need help, but to be too proud to accept help when it is freely and genuinely offered is foolish and unpardonable. \* \* \* Where this assistance comes from and what it is called is really of little consequence. I am happy that our Washington legislators have expressed a concern for the welfare of Otsego County and its environs.



Thank you, Mr. Jones.

Mr. JONES. Thank you Congressman Stratton.

Our next witness is Mr. Charles A. Robinson, Jr., representative of the National Rural Electric Cooperative Association, who is not a newcomer to the committee.

**STATEMENT OF CHARLES A. ROBINSON, JR., STAFF ENGINEER AND STAFF COUNSEL, NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION**

Mr. ROBINSON. Mr. Chairman, my name is Charles Robinson. I am the staff engineer and staff counsel of the National Rural Electric Cooperative Association.

Mr. JONES. Mr. Robinson, will you identify your associate?

Mr. ROBINSON. Yes, sir. If it please the Chair, I would like to introduce and have accompany me at the witness table Mr. Robert Partridge who is the senior legislative representative of our association.

Mr. Chairman, we have a prepared statement which we submitted and I ask that it be made a part of the record and that I be allowed to highlight it orally, thereby conserving the time of the committee which we know is short.

(The statement follows:)

**STATEMENT OF CHARLES A. ROBINSON, JR., NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION**

Mr. Chairman and gentlemen of the subcommittee, the National Rural Electric Cooperative Association is the service organization established to provide legislative, management, information, and insurance services to REA-financed rural electric systems. Membership in NRECA, which is entirely voluntary, is held by approximately 92 percent of all REA electric-type borrowers.

The loads of rural electric systems continue to expand. They are, therefore, always searching for possible sources of low-cost wholesale power supply. Some 500 of these systems now purchase all or portions of their wholesale electricity requirements from Federal power systems like TVA and the Bureau of Reclamation. During fiscal year 1963, these systems bought more than 13.8 billion kilowatt-hours from such Federal power agencies for which they paid \$68.7 million into the U.S. Treasury.

It is our history of purchasing Federal power and our close association with the self-liquidating type of Federal programs such as REA and multiple-purpose water resource development which leads us to comment on the Appalachia legislation now pending.

As we read S. 3, it would authorize expenditure by the Federal Government of \$840 million for highway improvement in the Appalachian States plus an additional \$237 million for sewage treatment plants, vocational schools, water resources studies, hospital and health centers, land improvement, timber development, and mining area restoration.

Why, one might ask, in a bill to aid Appalachia, is there no reference to the one natural resource which constitutes Appalachia's largest source of wealth—coal? It almost appears as though there had been, in drafting S. 3, a conscious effort to omit all mention of coal; the one element from which could be derived some dollars to help repay the Federal grants authorized by the legislation.

Of the need and desirability for a Federal program to combat the deplorable conditions under which so many thousands of American citizens exist in the several Appalachian States, there can be no question.

It is our opinion, however, that the subject legislation, though desirable in its objectives, would better serve the public interest if modified to more closely meet the test of self-liquidation which is frequently applied to public works undertakings. In truth, S. 3 completely ignores the most abundant and the most valuable natural resource which the Appalachian area possesses—coal. The bill provides for the spending of Federal funds to build highways, sewage treat-

ment plants, vocational education facilities, hospital and health centers. It authorizes additional money for land improvement, timber development, and water resources studies. It even authorizes the spending of \$21.5 million to restore lands which have been rendered desolate through the failure of private entrepreneurs to repair the ravages of their own strip-mine exploitation. As to authorizing expenditures for increasing utilization of the coal resources of the region, however, the bill is anomalously silent. Yet, it is by helping to increase coal utilization that this legislation could provide the basis for sustained growth of the area's economy, and render self-liquidating all the projects for which Federal grants are provided. It is the cash register of Appalachia which this bill wholly ignores.

Every authority who has studied the problems of Appalachia during recent years has recognized the dominant role which the area's coal resources could play in its development.

The Senate committee, in favorably reporting S. 3 on January 27, 1945, stated: "Despite drastic reductions of employment in the past two decades, the production and transportation of coal still remains as the single largest source of employment in Appalachia. Nevertheless, automation in the mines and shrinking markets have worked together to reduce coal employment by hundreds of thousands of jobs in the past 15 years.

"But the production of bituminous coal in the region can exert a stabilizing influence on the Appalachian economy. Thus, as part of the economic development plan for Appalachia, the State and Federal Governments should take every measure to encourage the production of bituminous coal."

The use of Appalachian coal to provide low-cost electricity for use in the region, and for export from the region, is widely recognized as a desirable major element in rebuilding the economy of Appalachia. It has received support from the Secretary of the Interior, the Pennsylvania Governor's Council of Science and Technology, a panel of experts on Appalachian problems convened by Princeton University, the Eastern Kentucky Redevelopment Commission, and the American Electric Power Corp.; the subsidiary operating companies of which are pledged to expand by 5 million kilowatts their generating facilities in Appalachia over the next 7 years.

In short, Appalachia is a vast coal reserve. Coal in large quantities is low-cost electricity. And, low-cost electricity in large quantities is dollars.

So good are the economics of large-scale coal-fired steam-electric stations in Appalachia, that the National Power Survey, recently published by the Federal Power Commission, recommends large-scale mine-mouth plants in Appalachia, with 500-kilovolt transmission to New York and New England, as one of the preferred means of serving 1980 electric loads in the latter areas. Already, the major privately owned power companies, and their parent holding companies, have recognized the benefits available. The Keystone plant, consisting initially of two 800,000-kilowatt units, near Johnstown, Pa., will be owned jointly by General Public Utilities Corp., a holding company for five operating companies; Pennsylvania Power & Light Co., and Philadelphia Electric Co. Allegheny Power System, a holding company for seven operating companies, is building a 500,000-kilowatt plant at Morgantown, W. Va. A 500-kilovolt alternating current transmission system will link these two plants with the Mount Storm, W. Va., 1,140,000-kilowatt plant of Virginia Electric & Power Co., and with the 500-kilovolt network of the American Electric Power Co. The power companies in Appalachia will, thereby, be delivering high-voltage electricity from Appalachia to Richmond, Va.; Washington, D.C.; Philadelphia, Pa.; and the New York City metropolitan area. The evidence is irrefutable that Appalachia can be established as a center of steam-electric generation from which power can be delivered widely throughout the eastern part of the United States at a cost lower than it can be developed from any alternative source.

This result is being achieved by privately owned power companies paying all taxes, local and Federal, and capital costs of 14 percent.

It is, therefore, obvious that a Federal corporation, operating in similar fashion, could also sell enormous quantities of electric energy from steam stations in Appalachia, and utilize the surplus revenue arising from the difference between Federal financing and private financing to establish and fund an Appalachian development assistance fund. The latter fund could then be used to liquidate projects for which Federal grants are authorized in S. 3.

The differential between the cost of producing electricity in a federally financed steamplant and a privately owned steamplant is approximately \$355 per kilowatt



of installed capacity, calculated over a useful plant life of 35 years. Thus, each such plant would, during its 35-year lifetime, generate surplus revenues of over \$355 million to liquidate the Federal investment in highways, sewage treatment plants, hospitals, health centers, vocational schools, and similar undertakings. Three such plants could render self-liquidating the entire Federal expenditure contemplated by the subject legislation (see table I attached).

In the light of forecasts by the Federal Power Commission's National Power Survey that by 1980, the cost of mine-mouth generation plus transmission to load center will be generally competitive with load center generation; that 80 million kilowatts of new capacity added by 1980 will be of mine-mouth variety and that 40 million kilowatts of mine-mouth capacity will be developed in the Appalachian area; the potential for generating a cash flow to fund the above suggested Appalachian development assistance fund, is enormous. The opportunities for coal mine employment, for power system construction and operation payrolls, and the availability of low-cost power to stimulate industrial and commercial enterprise would be equally large. These facts emphasize the desirability for including in any Appalachian redevelopment legislation provisions for a Federal corporation empowered to finance and operate coal-burning steam-electric stations and to market the power from them. To ignore the potential of this suggestion, is to almost completely reject the concept that a program of the type embodied in S. 3 should, to the maximum extent possible, reimburse the Federal Treasury for the expenditures involved and should, rather than constituting an extended dole, be designed to stimulate nongovernmental business activity.

Based on all of the foregoing considerations, we strongly urge that S. 3 be amended to provide for the establishment of a Federal corporation authorized to finance and construct coal-fired steam-electric stations in Appalachia, and to market the power from them. The corporation should be directed to turn over to the several States, or to the United States, all surplus revenues for the purpose of financing the program contemplated by the instant legislation.

As a less desirable alternative, we suggest that, at the very least, there should be included in the legislation, authorization and direction for the Secretary of the Interior to further study the possibility of using steam-electric stations in Appalachia to develop the necessary cash-flow with which to fund the program embodied in S. 3.

We respectfully request that this statement be made a part of the record of the hearings held on S. 3.

TABLE I.—*Calculation of surplus revenue potential from Federal steam electric station in Appalachia*

[In percent]

	Federal	Private
(1) Annual fixed charges as percentage of plant investment:		
Cost of money.....		6.75
Depreciation (6.75 percent sinking fund).....		.77
Replacements (straight line).....	0.35	.35
Insurance.....	.25	.25
Interest.....	3.50	
Amortization (3.5 percent interest).....	1.50	
Federal, State, and local taxes.....		5.85
Total fixed charges.....	5.60	13.97

(2) Assuming investment of \$120 per kilowatt, unit fixed charge differential is \$120 (0.14—0.056)=\$10.10 per kilowatt-year.

(3) For the normal plant life expectancy of 35 years, the total lifetime fixed charge differential is \$10.10×35, or \$355.

(4) Then for each plant of 1-million-kilowatt capacity, the surplus revenue generated during its 35-year life would be \$355 million.

(5) Three times \$355 million is approximately the total Federal expenditure authorized by S. 3.

(6) Three plants of 1-million-kilowatt capacity would generate sufficient surplus revenue to liquidate all Federal investment authorized by S. 3.

Mr. ROBINSON. We support the legislation, S. 3, Mr. Chairman. Our membership has constantly adopted resolutions favoring area development, especially development of rural areas.

We supported the legislation in 1964. We are particularly curious, however, with reference to our constant interest in low-cost power con-

cerning section 224(b) (3) of S. 3, which appears to us as a flat prohibition on the use of the legislation. This is on page 34 of the bill, and appears to us as a flat prohibition against the use of legislative authority for the generation, transmission, or distribution of electric power. To us it appears as a proviso that is really a bar to encouraging the maximum use of the Appalachian region's richest resource, which is coal.

Coal is not mentioned anywhere in S. 3. The language of this section appears completely contrary to the stated purposes of the bill, which are to establish a framework for a joint Federal and State effort toward providing basic facilities essential for the region's growth and to promote its economic development.

Considerable sentiment has been voiced here this morning in support of sewage facilities, waterplants, and these, together with electricity, Mr. Chairman, we feel are perhaps the most basic services that could be developed by a community or by a region to attract industry.

We are of the opinion that low-cost electricity available in Appalachia could attract major industry and low-cost electricity exported from the region could provide the surplus revenue to render the entire legislative authority for appropriations in this bill self-liquidating, with surplus revenue to sustain and expand this Appalachian program in the future.

We therefore feel, rather than the prohibition of section 224(4) (b) (3), the bill should provide in effect for a Federal corporation with bond-financing authority and with authority to build and operate steam electric-generating stations. This, of course, we recognize as at least an extension of Federal power policy as it now exists, and perhaps a departure from present policy. But I respectfully call your attention to the fact that this bill and the entire concept of this bill is precedent-setting in nature. It is novel. It is a precedent or a model for the future in that other legislation of the same type appears to be coming down the road.

The Senate debates indicate that the President and the administration will probably give backing to Appalachian-type legislation for the Ozark region, for the New England region, for the upper Great Lakes region and for the upper Great Plains region. These were all mentioned during Senate debates. So wholly aside from our direct interest in securing sources of low-cost wholesale electricity for rural electric systems and our interest in preserving the yardstick of a Federal power program, we believe that Congress, in setting out on a program which may ultimately involve as much as from \$5 to \$10 billion of Federal commitments, might well consider the ways and means for either recouping as much as possible of the Federal investment in these areas, or in the alternative of sustaining these programs in the future by generating a cash flow. In Appalachia it seems, Mr. Chairman, that the cash flow to render this program self-liquidating or to extend and sustain it could come from the steam electric stations which we suggest. Our calculations indicate that for each million kilowatts of capacity installed in a Federal steam electric station in Appalachia there would be returned to the Federal Treasury something on the order of \$350 million surplus to the cost associated with the operation of the plant over its lifetime.



Even assuming that some of this potentially available surplus revenue were lost through attrition, the benefits are very large. These surplus revenue benefits, Mr. Chairman, would be based upon the cost differential between a Federal plant and a private plant. In that connection we respectfully call your attention to table I attached to our statement in which we have made some calculations concerning this differential. The surplus money that would be generated by these plants, could be paid into what might be called an Appalachian redevelopment assistance fund and either made available to the separate States, controlled by the States for the expansion and sustenance of this program in the future years, or could be returned to the Treasury to pay for the program.

The economics of these mine-mouth electric stations in Appalachia are now being proven by the location in the region of large privately owned steam stations.

There are at least 20 investor-owned companies which are presently constructing or planning something on the order of 5 million kilowatts of steam electric stations in Appalachia right now. These stations will be tied together with a 500,000-volt network of transmission lines that will deliver this power from the coal mines to Richmond, Norfolk, Washington, Philadelphia, and the New York areas. The plant announced just last week, in an article appearing in the Wall Street Journal, in Pennsylvania, to be constructed by a group of 5 companies, will of itself have an installed capacity of 1.8 million kilowatts, and will create 700 new jobs in the coal mines of Pennsylvania from this one plant alone.

Many of the authorities that have studied the problem of Appalachia over the past few years recognize that the expanded use of coal in steam-electric stations is a major factor in the present economic circumstances in which the region finds itself, and in the future economic development of the region.

The President has mentioned this factor. The Secretary of the Interior has conducted, with the Assistant Secretary of Commerce, Mr. Roosevelt, considerable correspondence on it. The Pennsylvania Governor's Council of Science and Technology recognized it in its report to the Governor. A Princeton University panel on Appalachian problems has recognized it. The East Kentucky Redevelopment Commission has recognized it. Therefore, it seems to me that the language of section 224(b) (3) of the legislation appears to prohibit that which should be a prime concern of the legislation, and we urge the committee to consider the deletion of this language and the insertion of language which will either provide for the construction of Federal steam-plants to generate some revenue to fund this program, or in the alternative, as a very minimum, Mr. Chairman, we suggest that language be inserted into the bill directing the Secretary of the Interior to make a study of this suggestion that mine-mouth coal plants be included in the Appalachian redevelopment program—Government mine-mouth plants for the purpose of developing surplus revenue to fund the program.

These we think, Mr. Chairman, would help rather than hinder the program because it seems that it is always easier to embark on a new Government program if that program can be placed on a self-sustaining or self-liquidating basis.

We very much appreciate the opportunity to present our views to the committee. We recognize the shortness of time. We thank you very much.

Mr. JONES. Thank you, Mr. Robinson. Are there any questions?

Mr. BALDWIN. I have a question.

Mr. Robinson, you are proposing the establishment of another corporation. About one-third of this area is covered by the TVA which is an entity which has jurisdiction, therefore, over about one-third of the counties in this bill. Do you propose that the corporation you propose would be superimposed over the TVA on the same countries now covered by the TVA?

Mr. ROBINSON. Mr. Baldwin, I would not think that would be done. I would think that those counties or that area of the region in which these electric plants can be economically located after a site survey should be under the jurisdiction of another corporation. It does not seem to me that you should have two Federal corporations operating in the same area for a similar purpose, no.

Mr. BALDWIN. Thank you.

Mr. CRAMER. Any such corporation as you are suggesting, however, would have jurisdiction over the entire Appalachian region, would it not?

Mr. ROBINSON. Mr. Cramer, I think it would depend upon the language which authorizes the corporation. The language of the authorizing legislation, be it in this bill or some other bill, could be drafted to accomplish almost any constitutional result. There are almost innumerable variations on the type of jurisdiction that could be conferred on the corporation, both with respect to actual powers and with respect to territorial limitations.

Mr. CRAMER. What you are suggesting is that there be established a TVA power generating, largely mine-mouth plant, in the type of federally Government-owned corporations similar to the TVA in the Appalachian region. Is that your approach?

Mr. ROBINSON. Mr. Cramer, I would not want to characterize what I am suggesting as a TVA concept because TVA is a much broader concept. I am basically advocating here the establishment of a corporation with power to market revenue bonds, build electric stations and sell the power. TVA has much broader authority. I am talking of building a Federal corporation to operate these plants which will generate revenue to fund these programs.

Mr. CRAMER. You are talking about TVA, with the one limitation, power generation and distribution.

Mr. ROBINSON. To the extent that TVA generates steampower that would be true; yes, sir.

Mr. CRAMER. How much money is this going to cost? Have you given any thought to that?

Mr. ROBINSON. At \$120 a kilowatt or thereabouts, a million kilowatts would cost \$120 million.

Mr. CRAMER. Where is the money to come from?

Mr. ROBINSON. I assume the money would be derived from the sale of bonds in the open market by the corporation with or without a Government guarantee.



Mr. CRAMER. You mentioned the figure of \$5 or \$10 billion in Federal commitments being envisaged as a result of this Appalachian approach, is that correct; that is, Federal expenditures.

Mr. ROBINSON. Those are the figures I used. Of course, they are estimates at this time.

This bill as I understand it constitutes a commitment of about a billion dollars. If you consider the fact that there are apparently four additional bills of this nature in the pipeline at the moment, it seems to me that you are talking in terms of from \$5 to \$10 million.

Mr. CRAMER. Of course a billion dollars in this program is only for a 2-year program other than for highways. So actually the cost of Appalachia alone is far in excess of a billion dollars.

Mr. ROBINSON. Yes; I would say that is all the more reason to place it on a self-liquidating basis if it is at all possible.

Mr. CRAMER. I am glad to get those figures in the record because I have been maintaining for some time that the cost of this program will be close to \$4 million before they get through over the 6-year life of the commission in Appalachia. It may be extended beyond that.

You have suggested with these new proposals that we are talking about possibly a \$10 billion program.

I am glad to get those figures in the record with regard to the cost of the program.

Mr. ROBINSON. I do not wish to convey the impression we are opposed to this type of program unless power facilities can be put into it. Our people have consistently, as I previously stated, adopted resolutions to support redeveloping depressed rural areas. Of course, the entire history of our own program, rural electrification and Federal power, has been self-liquidating. The REA loans are paid back. The Federal funds invested in hydroelectric stations are paid back. So we tend to think in terms of self-liquidating Federal programs.

Mr. CRAMER. You do not believe as far as the Appalachian region is concerned that REA and private enterprise can provide the power facilities and generation facilities needed to do the job you are talking about?

Mr. ROBINSON. I do not think it is a question of a shortage of electricity at all. I think the issue here is not that. I think certainly that the power companies can provide the power that is needed. I think it is a question whether or not we want to maintain in the growing power industry a concept of the Federal yardstick which we believe has served well to control electric rates, and whether or not we want to place in this regional development program at least one element that will generate some cash flow. There is nothing in this bill that will generate cash flow to either repay the Federal investment or sustain and allow expansion of the program in future years—nothing whatever. It seems to us that the one element in Appalachia, the richest resource of the area, coal, has been completely omitted from mention in the bill. There is no mention of it at all.

Mr. CRAMER. I was interested in that comment because coal is mentioned in the bill in the section dealing with the coal provisions in Pennsylvania, principally. I refer you to the bottom of page 21, section 205, mine area restoration, make financial contributions to fill voids in abandoned coal mines. Section 2 is outcrop mine fires relating to coal mines. Anthracite coal on page 22, line 6.

Mr. ROBINSON. At the very least, Mr. Chairman, I would say that is a pretty negative reference to the coal industry. It is an attempt to repair damage that has been incurred as a result of operations carried on in prior years. What I would think the legislation ought to envision is some method of using coal to stimulate the economy of the region in the future and to make more certain that a permanent industrial complex is attracted.

I do not question the fact that there is language in there that will repair the ravages brought about by prior mining of the area.

Mr. CRAMER. And industry in my district, the Florida Power Corp., private enterprise, I think has done as much to help Appalachia from a single industrial standpoint as anything I have seen recently. They have signed a contract for use of \$100 million worth of coal in the next 10 years to be used in a new plant they are building on the west coast of Florida.

If you are going to discourage that private enterprise approach that can do the job without Federal subsidization and is in fact making a great contribution, is that the approach you are encouraging?

Mr. ROBINSON. No, sir. The Federal Power Commission's national survey indicates that between now and 1980 there will be located in the Appalachia region some 40 million kilowatts of mine-mouth generation because of the fact that mine-mouth generation plus the cost of transmission is becoming more and more economical with generation of power at the load. If you take 40 million kilowatts and superimpose upon it even 4 million kilowatts of Federal plants you are still only 10 percent of capacity, which is a lesser percentage than the Federal power system now bears to the total system in the United States. I do not really think you are going to discourage private enterprise by competing with it a little bit. If private enterprise is what I think it is, I do think you will provide some revenue to fund these programs and I think you are going to maintain the Federal yardstick. I do not think you will discourage private enterprise any more than the Federal power program as we know it today has discouraged private enterprise. The Federal Power Commission reports that the electric utility industry is the largest industry and the most rapidly growing industry in the United States. This is at a time when we have a Federal power program that is something on the order of 12.7 percent of total installed capacity. I do not think it really discourages Federal-private enterprise.

Mr. SWEENEY. If the gentleman would yield, I should like to pursue Mr. Cramer's point of this business of the Federal Government being competitive with investor utilities and the broad concept of need of electric power in Appalachia. The committee last year was informed by the president of the Monongahela Power Co. that the Appalachian region has ample generating capacity for all current needs, with less than 10 percent of the total U.S. population, the region having available 38 million kilowatts of generating capacity, or 18 percent of the Nation's total and has more than 10 million additional kilowatts now scheduled or under construction. In the light of his testimony, would you agree that there seems to exist a power surplus rather than a power shortage in Appalachia?

Mr. ROBINSON. No, sir, I cannot agree with that, Mr. Sweeney, because his company is among those adding additional capacity. Mo-



nongahela Power Co., I believe, and I will check that, is one of the holding companies that is part of the Allegheny Power System. As I stated a few minutes ago, Allegheny Power System is in the process of right now building a half million kilowatt plant at Morgantown, W. Va. If there is a surplus in the area it would not be building additional plants.

Mr. SWEENEY. One of the biggest single powerplants ever announced is an investment by all of these investor-owned utilities of moneys approximating \$42 million. Isn't that the end investment that will result once that is completed by private investor utilities in this country.

Mr. ROBINSON. \$42 million sounds like an awfully large figure. I do not know what that would include.

Mr. SWEENEY. That has been reliably reported as being the Nation's investor-owned utilities investment in plant during the period 1960 to 1970, and it will rise to \$80 billion, we are told, by 1980.

Mr. JONES. I think the figures will disclose that those estimates were based on the ratio of annual growth of 12 percent per year.

Mr. SWEENEY. I believe that is correct.

Mr. JONES. If they hold up to those figures that would be the requirement for thermal plants to generate the power that would be required as to the terminal date.

Mr. SWEENEY. Mr. Robinson, what would you say in the light of that?

Mr. ROBINSON. This figure is not related to the plant I mentioned.

Mr. SWEENEY. I am interested in the light of the enormity of that privately owned investment, would you agree that to put the Federal Government in a competitive position with these privately owned investor-operated utilities would adversely affect the economy rather than to benefit the overall economy of the country?

Mr. ROBINSON. I think it would benefit the economy, Mr. Sweeney. I do not know how familiar the committee is with the national power surveys recently published by the Federal Power Commission. It is a monumental piece of research. It indicates that the companies are at the moment generating something on the order of 60 percent of their investment capital from their rate schedules. We feel in this type of situation a little competition might serve the public interest by reducing this contribution of the ratepayers to the structure of these companies which money should be provided by the investors.

The proof is that the companies in the Pacific Northwest and the TVA area which are closest to sources of Federal power have prospered in excess of industry averages in the past several years. What we are talking about in effect is 10 percent. If a man owns any business and has 10-percent competition it does not seem to me he is very seriously injured.

Mr. CRAMER. Isn't REA operating in this area now?

Mr. ROBINSON. Yes, sir.

Mr. CRAMER. Doesn't that give them the competition they need in the area?

Mr. ROBINSON. No, sir; and for several reasons. In the first place REA co-ops do not generate any power. They have to buy it from companies in this area at wholesale. Surprisingly enough where we have these mine-mouth plants being built, to generate power at 4½ to 5

mills, the co-ops in West Virginia and Pennsylvania are paying 9 mills. We would hope if we could get one or two Federal plants it would cut that a little bit. We are not in a position to provide very much competition in those areas.

Mr. BALDWIN. If the gentleman would yield. Mr. Robinson, if you feel that there should be fair competition why are not the REA's willing to increase the rate of interest on the loans they get from Federal Government, so the interest rate would be fairly competitive with private enterprise, instead of getting a subsidized rate of 2 percent?

Mr. ROBINSON. Mr. Baldwin, we did not come to argue the 2-percent issue today but I will be happy to try to answer that question. We are working on a study. We have employed Kuhn, Loeb Co., of New York to study the possibility of several modifications in the REA financing situation, (a) increasing the interest rate and maintaining the present Federal loan program, or (b) borrowing money in the open market. We expect the results of that study will be available in a few months. It has taken a year and a good deal of money. The indications are that perhaps about a fourth of the distribution systems could afford to pay perhaps a little higher rate of interest, but the G. & T. systems and remaining distribution systems could not. You say it is a subsidized rate of interest. By that I guess you mean it is lower than the average cost of money to the Government at the present time and that is true.

Mr. BALDWIN. That is right.

Mr. ROBINSON. By the same token, we do serve awfully thin areas. About 3 consumers per mile compared to 30 by privately owned companies.

I would point out also that REA loans are being repaid. This is a self-liquidating program. They are being paid with some interest, though the rate may be low. The program being considered here today, though it is a meritorious program, is completely nonreimbursing. Yet they are both designed to serve a social purpose and both do serve social purposes. In view of the history of the REA program, it seems to me that in terms of repayment, in terms of reimbursing the Government, it has performed pretty well.

Mr. CRAMER. If you were to build the mine-mouth power generating plants with the anticipation of providing employment in the area through the generation of plant operation itself, and thus transmitting this power to other parts of the country outside Appalachia, what you would have to do through this corporation would be to set up a grid of transmission lines through the service area and the result would be a federally owned transmission line and power generating program in competition with private enterprise.

Mr. ROBINSON. There is no question, Mr. Cramer, that this proposal would offer a measure of competition with private enterprise. I will be the first to admit that. I would like to see associated with these plants, and I think I can speak for the association in that, at least a minimum transmission network. But the major block of the power would unquestionably be delivered to the investor-owned companies who have their own transmission. Rural electric co-ops constitute perhaps as much as only 4 percent of the total electricity market in the United States. We would like to buy a little of the power. We would like to have a little transmission with this if it were built with the mine-



mouth plant. But the bulk of the power would go to the investor-owned companies.

Mr. CRAMER. That is all I have.

Mr. JONES. Thank you very much, Mr. Robinson. It has been a pleasure to have you, sir.

Mr. ROBINSON. Thank you.

Mr. CRAMER. May I ask a question of the committee? We have requested or permitted REA to come in and testify. I wonder if the opportunity will be given to other persons or organizations who might have a different view with regard to setting up a Federal corporation.

Mr. JONES. As far as I know it has never been the policy of the committee to make solicitations to anybody to come to testify before the committee. If there is a request pending certainly we will take that into account.

Mr. CRAMER. Do I understand that the record will be left open for such statements if anybody wishes to make them for a period of about 10 days?

Mr. JONES. If there is no objection from the members. It has to be a unanimous-consent agreement. I will make the request of the committee to permit me to make these statements or additional statements that will be submitted as part of the record.

I would want them examined, as I have just handed the ones I have in my hand at the moment to Mr. Baldwin for review, and see if he had any objection to the substance contained in the statements that would be made a part of the record.

I want all the members to examine the statements. I am not going to offer them at the present moment because we have one more witness, Mr. Robert Holcomb, president, National Independent Coal Operators Association.

#### STATEMENT OF ROBERT HOLCOMB, PRESIDENT, NATIONAL INDEPENDENT COAL OPERATORS ASSOCIATION

Mr. HOLCOMB. My name is Robert Holcomb. I am president of the National Independent Coal Operators Association.

Mr. JONES. We are glad to have you.

Mr. HOLCOMB. The members of this association are small coal operators located largely in the Appalachian region. I am speaking for approximately 5,000 such operators who employ about 70,000 men.

The story of distress and poverty and the coal mining regions of Appalachia is not new; it has been spread far and wide by the news media, by reports of Government agencies and by the hearings of this committee. However, there is a story about the coal mining industry which very few people know and which bears directly on the future of Appalachia. That is the story of pockets of prosperity in the midst of poverty.

Pikeville, Ky., my hometown, is situated on the Cumberland Plateau, about 300 miles from Washington. Four years ago, people in Pikeville talked about pulling up stakes and moving elsewhere to make a living. Today, Pikeville is experiencing an economic boom and there is a growing new spirit in the community. Investment is up. A new shopping center, an \$800,000 motel, a \$750,000 bowling center and a

Chevrolet center which cost \$250,000 have all been built recently, to mention a few of the more obvious examples. The Pike County News has increased circulation. Pikeville College is prospering, and bankers, builders, and professional men are all optimistic about the future.

How did this come about?

Poverty or progress in Pikeville, like many other communities in Appalachia, is based and has for many, many years been based on coal production.

In the report by the President's Appalachian Regional Commission, it is pointed out that coal is the region's "No. 1 material resource," that "much of the Appalachian economy has long been structured around coal mining and its related activities," that "the most promising opportunities for industrial diversification within the region appears to be in localized processing and utilization of coal in conjunction with other resources," and that the Appalachian region is "largely coal country."

Despite these well-known facts, the Appalachian bill, which is designed to eliminate poverty in the area, has nothing, and I emphasize, nothing in it which will directly aid the one industry capable of bringing prosperity back to large regions of Appalachia, the coal industry.

The demand for coal has increased steadily since 1960 and promises to double between now and 1980; the domestic market for coal is increasing because of its use by the electric utilities and a vast export market remains to be explored. Coal is in demand, Appalachia has two-thirds of the Nation's coal, yet there is nothing in the bill to help the unemployed realize the potentialities of coal development.

You can have highways and byways in and out of Appalachia, but the area will not change until there is a rise in employment. Coal is the key to employment.

The rise of the small coal operators of Appalachia began in the early 1950's when miners who had for many years been members in good standing in the United Mine Workers Union found themselves out of work with pension and hospital benefits forfeited and no prospects to earn a living. The UMW sloughed these men off on a Government dole.

It has not offered one thin dime to feed or house them. It has advanced no plan—as have, for instance, the far less wealthy meat-packers' union—to retrain and relocate the men displaced by automation.

In the circumstances, the only logical and feasible way to make a living was to mine coal, and a number of these former UMW miners began mining the thin seams of coal in the areas which the major companies found to be uneconomical. As more and more men were displaced by machines, more and more of these small mines opened, and slowly the small mining industry developed a technology of its own.

Now these mines use modern equipment specially designed for thin seam mining, engage in extensive safety programs, and provide employment at an average daily rate of approximately \$18 per man per day. The safety record of the small mines, as the figures of the State mining departments will demonstrate, is better than that of the large automated mines.

The manner in which the small mines help Appalachia can be seen by examining the effect of one new small mine in a typical area,



Pike County, Ky. Even before the mine is built, a local construction company will realize approximately \$1,000 or more building new access roads, facing up the coal, and excavating the coal debris. Subsequently nearby mine equipment companies will get orders for approximately \$15,000 in new equipment for the new mine, including motors, drills, fans, and many other items.

Next, a sawmill located nearby will furnish lumber valued at around \$1,500. Other material used by the mine will include sheet iron, tin siding and numerous other items, all purchased from local merchants and distributors.

After the completion of the mine, eight men will be employed for inside work. In addition, a truck driver will be hired, making a total of nine men employed. This means nine families will have a source of income. It also means nine families are not on relief.

The average family in Appalachia consists of a man, his wife and four children. (The Pike County, Ky. Health Department points out this is a very conservative figure.) This means that every merchant in the community has 54 potential new customers who now have money in their pocket. It also means money to the Federal, State, county and municipal governments in the form of taxes.

In 1964 the small mines poured \$35 million into the economy of Pike County.

Despite their growing success, these mines are still largely marginal operations. The price of a ton of coal produced by these small operators will not average above \$3.85 per ton. Out of this there are production costs of \$3, haulage costs of 50 cents, and preparation costs of 15 cents. Accordingly, the typical profit per ton of coal produced is approximately 20 cents per ton. This leaves little room to meet sudden market change.

Yet such changes have been happening in the coal industry. The railroads have recently instituted "unit train" volume rates which the small shipper cannot utilize unless he can, in combination with other small shippers, pool production to meet the tonnage requirements of the rate. He cannot do this, however, unless common storage and cleaning facilities are available. Today there are no such facilities available to the small operators.

Undeniably, there are many problems attendant upon setting up unit train operations which will serve the small operators of Appalachia. While many of the problem areas are apparent, the complexity of transportation costs is such that only a thorough study of the feasibility of Appalachian unit trains can provide the information necessary for intelligent choices.

It is our belief that a study could be completed for approximately \$50,000. This is not a large figure, but is a larger figure than any of these small operators can afford individually. In view of the millions proposed to aid Appalachia, this seems a modest sum to expend upon a study of a program which may save thousands of jobs.

It is my belief that the entire Appalachian program will be a failure if nothing is done to preserve competitive opportunities of the small coal operators. Certainly the Government should not hand out with one hand and take away with the other.

We do not ask for relief, we want opportunity. Why shouldn't coal development agencies be established on the same basis as timber development agencies?

H.R. 1708, introduced by Congressman Jennings, of Virginia, provides for such agencies. Such agencies could make funds available on a loan basis which could establish the central storage and cleaning plants. The cost of a cleaning and storage plant large enough to handle the volume to participate in unit train operations is approximately \$3 million. Congress, however, would see the direct benefit which will result from such an operation, and, hopefully, will consider expansion of a program which will keep and provide the largest employment in the distressed Appalachian area.

Speaking frankly, it is obvious to me why, in a bill which is presumably concerned with the ills of Appalachia, there is no mention of coal, the "primary material resource" of the area.

On the merits there can be no possible objection to the inclusion of a provision for coal development agencies. The bill contains specific provisions for timber and specific provisions for agriculture. I submit that the reason that coal development is not provided for is that the small mines of Appalachia, which would be the main beneficiaries of any marketing or development program, are largely non-union mines. They are nonunion not because they are opposed to unionism per se (indeed, their owners are almost all former union men), but because the UMW has refused to enter into a contract with these operators except upon the same basis as the contract signed by the giant automated strip and shaft mines which calls for a wage of \$26.25 per man per day, and a payment of 40 cents per ton of coal mined into the UMW welfare fund.

If the coal production of the independent mines, the small operators of Appalachia, were eliminated entirely, then the giant operators would rapidly fill the market themselves, replace the 100 million tons per year produced by the small operators and the UMW welfare fund would benefit by some \$40 million per year.

Although there is already being paid into the union welfare fund approximately \$125 million a year, and the fund covers only 60,000 men, none of these men has a vested right in 1 cent of the UMW pension fund. If they are laid off work and go to work for one of the small independent mines, then they forfeit all rights in any pension that they might have become entitled to at a later date. Many men have forfeited these rights because they would rather work than stay on relief and wait for their pension. Their industry and initiative deserve the encouragement of Congress.

The UMW is aware that any provision in the Appalachian bill to encourage coal production would redound to the benefit of the small operators, so help for coal in the pending bill has become a political issue.

I respectfully ask the committee to consider the merits of what can really be done to help employment in Appalachia and I ask it to pass a bill which contains the proposed amendment attached to my statement which, essentially, adapts the timber development provisions to coal development.

I would further request that the bill be amended at lines 24 and 25 of page 33 to permit the financing of industrial plants and the purchase of machinery if such financing and purchasing is done through a non-profit agency.



In conclusion, there are three needs that must be satisfied if the small mine industry is to help brighten the employment picture in Appalachia:

1. Management training sessions for potential small mine operators. Many individuals interested in starting new mine enterprises and sharing in the growing coal economy are unable to do so because of lack of business know-how.

2. Sound financing for small mines. An effective small mine can be established on less than \$25,000 capital. In the past, traditional sources of funds have been reluctant to invest in small mines.

3. Fiscal aid in the creation of mammoth cooperatives for storage, processing, and shipment of coal.

(Appendix to Mr. Holcomb's statement follows:)

#### APPENDIX

##### COAL RESOURCES AND DEVELOPMENT

SEC. —(a) In order that the region shall more fully benefit from the coal resources that are one of its prime assets, the Secretary of Interior is authorized to (a) provide technical assistance in the organization and operation, under State law, of coal development organizations having as their objective the carrying out of coal development programs to achieve improved coal productivity and an increased return for coal operators through (1) continuity of management, transportation, and marketing, (2) the administrative or physical consolidation of small coal holdings into efficient management units, and (3) other appropriate means; and (b) provide not more than one-half the initial capital requirements of such organizations through loans approved by the Administrator of the Appalachia Development Corporation.

(b) Not to exceed \$5,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

Mr. JONES. Thank you very much.

Mr. CRAMER. I think the gentleman has rendered a valuable service, as far as I am concerned, in that he pointed out a very salient fact which shows the weakness of this entire bill, and that is there is little in it that is actually going to result, as far as the coal mining industry is concerned, in additional coal production and employment in the coal mining areas.

Putting out fires and so forth does not necessarily mean you are going to employ a lot of extra people in the coal mining industry.

Mr. HOLCOMB. That is strictly temporary employment.

Mr. CRAMER. Temporary to accomplish that objective in the form of a public works project, a WPA type of thing, but not creating jobs on a long-range basis as it affects new jobs.

I think you have rendered a valuable service in showing when it comes to the coal production and employment end, this bill is not going to do the job.

Mr. HOLCOMB. It does not unless you use H.R. 1708.

Mr. CRAMER. That will do it only as it relates to the small operator; right?

Mr. HOLCOMB. Well, the small operators are the predominant providers of employment in Appalachia, and the large mines employ about 60,000. The small mines employ in the neighborhood of 70,000 to 75,000.

When a large mine is established, the production is anywhere from 40 to 250 tons a day per man. In a small mine, the production is approximately 10 tons per day per man. At the very least, if you put

in a small mine, you will provide four times the number of jobs than in a large mine.

I think the primary aim of the committee is to provide employment. Certainly this can be done best in a small mine.

Mr. CRAMER. Thank you.

Mr. JONES. Any further questions.

Again let me thank you.

The subcommittee will recess until 2:30 this afternoon to go into executive session.

Before we recess, I would like to have the authority to place in the record at their appropriate places in the record statements that have been submitted by members.

We have statements from the National Association of Manufacturers and we have Congressman Jennings statement and Congressman Slack's statement and a statement from the Governor of Georgia.

Then a statement from the American Federation of Labor and the CIO, a telegram from Mr. Hess, chairman of the Patents Committee National Association, a statement of Herbert Walters of Morristown, Tenn.

If members have requests from people who are interested in the bill who wish to make a statement, I think you should take the liberty of stating they will be included.

(The statements referred to follow :)

#### STATEMENT OF NATIONAL ASSOCIATION OF MANUFACTURING

As a voluntary organization long devoted to fostering economic progress, the National Association of Manufacturers is interested in constructive measures which might contribute to this objective and serve the national interest.

Our association welcomes this opportunity to comment on H.R. 4, and we would like to assist the subcommittee in finding satisfactory ways to help ameliorate problems resulting from economic decline, wherever they may be found.

The feelings of members of the business community about such problems do not differ from those of members of other major segments of the national society; business leaders generally have a deep concern for the unemployed and other people who, for whatever reason, are deprived of the social and economic benefits the vast majority of Americans now enjoy.

However, legislation at the national level which provides programs, benefits, and privileges on a preferential basis for one part of the country to the exclusion of the rest of the country is necessarily open to serious question, and we are unable to endorse such an approach.

Such legislation could easily lead to a crazy quilt patchwork of laws as each region of the country seeks to have its own special law passed by the Congress. Already, proposals are being put forth for special laws to be applicable to other particular parts of the country. So far, the regions mentioned have included "the Upper Great Lakes," "the Ozarks," "New England," "the Upper Great Plains," the "Four Corners area of Utah, Colorado, New Mexico, and Arizona," "the Idaho Panhandle" and "parts of the Deep South."

#### I. REGIONAL GERRYMANDERING

Such legislation could also easily lead to regional gerrymandering as particular counties seek to be included in a preferred "region." This has already occurred in the case of the Appalachian region when the Senate voted to provide for study of the addition of 13 counties in New York State to the Appalachian region defined in S. 3. Indeed, the Appalachian region as defined in H.R. 4 and other pending bills seems to be somewhat of a gerrymander itself since the Appalachian mountain range actually extends through New York and New England to the northern border of Maine.



The incentive to have preferential regions established and particular counties added to preferential regions is clear and understandable. For example, the Federal portion of the cost of a project under a so-called Federal grant-in-aid program may go as high as 80 percent in the Appalachian region, while it may be limited to 30 percent in the rest of the country. This is obviously not equality of treatment, and will have a terrible hodgepodge of laws if each region of the country winds up with a different percentage figure. If they each wind up with the same percentage figure, then there is no reason to have special regional legislation. We believe that it would be in the best long-range interests of the country if the Congress would refrain from the understandable temptation to engage in an experiment in regional gerrymandering.

A full statement of our economic and statistical analysis of available data concerning the relationship of the Appalachian region to the rest of the country appears at pages 601-609 of the printed record of the 1964 House hearings and this information is hereby incorporated by reference. Among other matters, it was pointed out that much economic progress is taking place in the Appalachian region defined by the legislative proposals; that this progress was achieved principally through private investment in job-creating facilities; and that the best way to help the Appalachian region as well as all other regions is through broad national policies which encourage the formation of capital and its risk investment in job-creating enterprises. For example, it was pointed out that businessmen (and many economists) had argued for many years that a tax cut would have a salutary effect on economic activity. The encouragement the tax cut gave the business community has resulted in major new programs of expansion.

Data released by the U.S. Department of Labor on January 7, 1965, indicated that employment in trade and manufacturing has risen from 64.6 million a year ago, to an alltime high of 66.6 million; the total unemployment rate for adult down from 5.5 percent a year ago to 4.9 percent; the unemployment rate for adult men has gone down from 4.3 percent a year ago to 3.5 percent; and the unemployment rate for married men has gone down from 3.3 percent a year ago to 2.7 percent. One way to help Appalachia, then, is to adopt general governmental policies which encourage business expansion.

No matter what the immediate effects of the recent tax cut on the economy, we should not consider this job finished. We need to consider the possibility that we will benefit by further tax reform, oriented toward improvement of business incentives and increasing the funds available for private investment. We must also be aware of the dangers of inflation. Therefore, increased revenues resulting from economic growth should be used primarily for further tax reduction. This suggests that economy in Government spending, not increased expenditures for marginal and nonrevenue producing projects, should be one of the foremost concerns of the 89th Congress. A \$1 billion preferential program for the Appalachian region to be followed by similar outlays for other regions granted preferential treatment would not reflect such a concern.

We note that section 2 of the bill states the following:

"The public investments made in the region under this act shall be concentrated in areas where there is the greatest potential for future growth, and where the expected return on public dollars invested will be the greatest."

If it is decided to have a program of this type involving massive Government spending, then the above-stated policy is, of course, a desirable one to pursue. Communities which have developed best in the past probably have the best chance for future growth. However, recognition of the desirability of such a policy by inevitable logic leads to the conclusion that Government intervention in economic processes is unsound.

The forces of a free market, based on the decisions of millions of citizens seeking their own economic best interests, can, better than can Government officials, determine the areas where there is greatest potential for future growth and where the expected return on dollars invested will be the greatest. If individual citizens make some economic mistakes from time to time, they do so at their own risk without imposing undue hardship on others. When Government officials make economic mistakes, the hardships are widespread such as in the case of perpetuation of price controls after the end of World War II. In essence, the issue is economic democracy versus economic dictatorship, and inevitably economic democracy will prevail.

The arbitrary designation by Government fiat of certain areas to receive preferential treatment will create temporary artificial market forces which in the long run will lead to economic waste. Thus it appears that by this legisla-

tion, an economic choice will be made to give preferential treatment in public spending to so-called Appalachia and apparently to particular areas within so-called Appalachia. We strongly urge that such economic choices be left up to the forces of the free market which have created the economically strongest nation in the history of the world.

In broad terms, the National Association of Manufacturers sees the problems of the area which has been designated as Appalachia as a reflection of those elsewhere in the economy. The geographic identifiability of the region does not mean it is separated from the rest of the economy.

To the extent that Appalachia's various subsections have special problems, these should, can, and will be solved by the ingenuity and enterprise of millions of individuals, thousands of business firms, and hundreds of State and community bodies. There are encouraging signs that this is happening on a significant scale. Therefore, as in dealing with the problems of poverty throughout the country, the need is for policies which will remove the barriers to economic growth in the productive, private sector of the economy. It is by this decentralized and voluntary type of action, rather than by the intrusion of Federal bureaucracy, that economic growth has been achieved in the country at large—and is being achieved in Appalachia. The approach represented by H.R. 4 might well impede, rather than assist, progress along these lines.

## II. THE STEP (SOLUTIONS TO EMPLOYMENT PROBLEMS) PROGRAM OF THE NATIONAL ASSOCIATION OF MANUFACTURERS, AND OTHER VOLUNTARY EFFORTS

In an effort to encourage decentralized and voluntary action, the National Association of Manufacturers has launched its STEP program, designed to promote widespread knowledge of sound solutions to employment problems. The STEP program collects and publishes case studies analyzing successful solutions to difficult employment problems. The case studies are grouped as follows:

### A. Case studies on company employment problems:

1. Selection.
2. Company sponsored training.
3. Retraining.
4. Redirecting.

### B. Case studies on community employment problems:

1. Self development.
2. Community sponsored training.
3. Job development.
4. Relocation.

Companies or communities having one or more of these employment problems can request case studies outlining how other companies or communities, facing similar problems, worked out satisfactory solutions. The case studies are sufficiently detailed to enable the determination of whether or not a similar program, perhaps revised to fit local circumstances, would be helpful.

Three such STEP case studies relating to the Appalachian region are attached herewith and made a part of this statement. The first is an instance in which a community was hit hard by a decline in local coal mining operations and the depletion of quality timber for lumber production. The people of Braxton County, W. Va., formed the Braxton County Redevelopment Corp., a private, locally owned and organized corporation. They analyzed the resources of their county and concluded its chief asset was an abundance of low-quality timber. The redevelopment corporation raised over \$400,000 from local sources for investment in the West Virginia Forest Products Co. so as to construct a wood processing plant. The plant uses a new method which makes particle board from low-quality timber. Imported technicians train the local workers who are recruited from the ranks of the unemployed as aptitudes permit. The company employs more than 400 persons. Now, Braxton County has an industry in which the people take pride because they built it themselves.

Local leaders in Chicago became aware that from 25,000 to 30,000 southern Appalachian emigrants had moved into a 2- by 5-mile area of uptown Chicago. These emigrants were having difficulties adjusting to an unfamiliar urban environment. The local leaders donated \$25,000 so that a Chicago office of the Council of the Southern Mountains Inc. could be established to help these people. The Council of the Southern Mountains Inc. is located in Berea, Ky., and is well acquainted with the people from the Appalachian region. The Chicago office gets in touch with emigrants either before or after they arrive in Chicago. Information is provided as to available housing, job opportunities, and training



opportunities. Skills are analyzed and classes are held on techniques of securing employment. Businessmen are urged to accept them and to give them a chance to prove their worth by employing those who qualify for available jobs. Many families have been helped by the council's Chicago office.

Nautilus Industries, Inc. located a new plant in the anthracite coal region of Pennsylvania to manufacture home appliances. The local work force was composed of natives of the area, experienced only in coal mining, many of them chronically unemployed. Gerald L. Cohen, founder and president of Nautilus, a native of the area, had the conviction that such former coal miners could be trained for metalworking jobs such as paint sprayer, shear operator, buffer repairman, press operator, welder, assembler, packer, finisher, and inspector. A company-sponsored training program was established. It consists of a careful selection process which places great stress on motivation, personal responsibility, and good work attitudes; mechanical aptitude tests in welding, assembly, and press operations administered by the State employment service; and an on-the-job training program with members of the company supervisory force as instructors. The training program has resulted in a skilled, productive work force. A typical example of transition from coal miner to skilled metalworker is an employee who spent 29 years in coal mining and had been out of work for 2 years before coming to Nautilus. Now he is a skilled stamping press operator. The community of Freeland, Pa., where the plant is located, and the State of Pennsylvania are high in their compliments about Nautilus Industries, Inc. and what it has meant to the people in that area.

Properly conceived self-help programs might well be given greater public prominence in dealing with the problems of the Appalachian region and the STEP program of the National Association of Manufacturers is an effort in that direction.

There are various other examples which can be culled from the files of foundations, universities, labor organizations, chambers of commerce, and business sources, which illustrate graphically the achievements of business, professional, and labor union leadership in "turning around" communities that have become psychologically as well as economically depressed.

One nonprofit, nonsectarian, voluntary national organization dedicated to the concept of helping people help themselves is the 14-year-old Board for Fundamental Education, composed of businessmen, educators, and professional people. Significantly, it was chartered by the Congress of the United States in 1954 and annually reports its activities to the Congress.

Its purpose:

"To provide guidance in planning activities which will encourage willing people to help themselves to develop their capacities more fully, to utilize their potential to the maximum degree, and to lead richer, more productive lives that will be of benefit to themselves and to their community."

Through the board's efforts, a civic action group was organized in 1957 under E. L. Kirkpatrick in Wirt County, W. Va., after traditional sources of income had dried up. Through the community's own initiative, a ski manufacturing plant (started through a \$35,000 local investment) was established; a plant nursery employing 200 people was started, and various local organizations cooperated in building a recreational area and in developing a program for youth. These activities grew out of a program stimulated by the Board for Fundamental Education involving individual development through courses in fundamental education. Community volunteers put on adult workshops, seminars, and learning programs. Today Wirt County is an area of growth instead of stagnation, development instead of disintegration, hope instead of fear.

The knowledge and experience gained in more than a quarter century of work at Flanner House, Indianapolis, Ind., in helping adults acquire the basic tools of learning have now been applied by the board staff and cooperative educators in such areas as Overton and Pickett County, Tenn.; Hawkins, Tex.; Ashland, Wis.; suburban Duluth and White Earth Indian Reservation, Minn.

Anaconda Co. is helping unemployed coal miners from the Appalachian region relocate in metal mining jobs in Montana. The big majority of those relocated have switched easily to "hard rock mining" and they are now among the most highly regarded—and highly paid—miners on "The Richest Hill on Earth" in Butte, Mont. This is a sterling example of a private, voluntary program to help solve the employment problems of persons in the Appalachian region.

A great deal more work is going on in this field than is generally recognized. This distinguished subcommittee could perform a signal public service by spotlighting this phase of our national endeavor—much of it rooted deeply in the fabric of American life and heritage.

In conclusion, we respectfully urge that a costly approach, based on massive Government economic intervention without regard to historic free market trends, be rejected.

#### STEP—A CASE STUDY ON JOB DEVELOPMENT

##### National Association of Manufacturers

If you have this problem: A declining economy, people leaving the community, and high unemployment.

This case study may help you: Community organized a new industry to use local raw material previously considered unsuitable for processing.

The people of Braxton County, W. Va. (population 15,152) proved that where there is a will there is a way. Located in central West Virginia and surrounded by rugged mountains, the community was hit hard by the decline in the coal mining industry and the depletion of quality timber for the lumbering industry.

An analysis of the county indicated that the two main resources were people willing to work and a lot of poor quality timber. But how to make use of the timber was the question. Established wood processing firms were not interested.

So, local leaders decided that, if anything was to be done, the citizens of Braxton County would have to do it themselves. A search was made for a method of wood processing that would allow economic conversion of the available timber. A process was discovered. It was so new that machinery and supervisory personnel had to be imported from Germany. Now, Braxton County has an industry in which the people take pride because they built it themselves.

#### A PROGRAM DESIGNED TO DISCOVER OR DEVELOP JOB OPPORTUNITIES WITHIN THE COMMUNITY

The Braxton County, W. Va., program raised the funds and organized a new industry specifically for the use of local raw materials and to provide jobs for unemployed workers in the community.

##### *The Braxton County project*

The Braxton County Redevelopment Corp., a private, locally owned and organized corporation raised money for investment in the West Virginia Forest Products Co. The company uses a new wood processing method to convert low-quality timber into particle board which is used in various types of furniture, equipment manufacturing, and building construction.

##### *Project financing*

To raise the necessary money, the redevelopment corporation asked for pledges from local business firms, organizations, and private citizens. A total of \$411,000 was pledged for the project. Of this amount, \$341,000 was used in the purchase of land, building, and equipment.

##### *Market for product*

The Masonite Panel Products Corp. contracted for the total particle board production. The contract developed after the plans for the new plant and its financing had been completed.

##### *Labor force*

Since the machinery and the process to be used by the West Virginia Forest Products Co. is new in the United States, a training program for workers was necessary.

1. German technicians supervise the plant operation and teach local workers, using an apprentice on-the-job training program, how to prepare raw materials and use the processing machinery.

2. Prospective employees are taken from the ranks of the unemployed as aptitudes permit. Screening and testing is done by the West Virginia Employment Security Commission.



*Assessment of program*

The new industry's production schedule includes three work shifts. Each shift provides jobs for about 140 workers or about 420 jobs in all.

These new jobs, along with the supporting jobs the new industrial payroll has created, has reduced unemployment in the Braxton County area and has contributed to stemming the flow of people out of the area.

For further information, contact STEP or Rev. Carl Dodrill, president, Braxton County Redevelopment Corp., Sutton, W. Va.

STEP, SOLUTIONS TO EMPLOYMENT PROBLEMS—A CASE STUDY ON RELOCATION  
National Association of Manufacturers, New York, N.Y.

If you have this problem: Migrants from rural areas attempting to relocate into an urban community.

This case study may help you: Chicago established office to help southern Appalachian Mountain people relocate into Chicago.

From 25,000 to 30,000 southern Appalachian migrants have moved into a 2- by 5-mile area of uptown Chicago. These migrants are mostly mountain people with a background in farming or mining. They came to Chicago because they heard that jobs were plentiful and wages were good. Shy by virtue of their origin and startled by the bigness and coldness of the city, these people tended to draw together, disillusioned and hopeless.

W. Clement Stone, president of the Combined Insurance Co., of America, was convinced, as were other businessmen, civic, and school officials in uptown Chicago, that these people needed someone who spoke their "language" to help them. Out of this interest, the Council of the South Mountains, Inc., was encouraged to establish an office in Chicago's uptown section to help these people learn to live and work in an urban environment.

The office was established in November 1963, with Dewey W. Wood, a southerner himself, as director. Since the office was established, some 200 families have been helped by the various programs instituted by the council.

THIS IS A CASE STUDY OF A RELOCATION PROGRAM TO HELP THE UNEMPLOYED FIND  
JOBS BY RELOCATING TO AREAS HAVING JOB OPENINGS

The program undertakes to get in touch with southern Appalachian migrants either before or after these people come to Chicago, to explain the facts of urban living to them, to help them locate suitable living quarters, to assist them in taking an inventory of their job potentials, to aid them in making contacts for jobs, and to encourage local residents and business leaders to accept these people and to give them a chance to prove their worth.

*How it happened*

Recognizing the problem of southern mountain people migrating to Chicago as one needing special attention, W. Clement Stone, president of the Combined Insurance Co. of America, enlisted the interests of other Chicago leaders and donated \$25,000 for the establishment of the Chicago office of the Council of the Southern Mountains, Inc., for the expressed purpose of helping these migrants adjust to urban life.

*The organization*

The Council of the Southern Mountains, Inc., is located in the heart of the southern Appalachian Mountains at Berea, Ky., and is well acquainted with the customs and the problems of the southern mountain people. The Chicago office is located at the center of the mountain peoples' area in Chicago and has a staff of three. Dewey W. Wood is director of the Chicago office and is trained in social work. Raleigh Campbell, migration consultant, is a former school-teacher with teaching experience in the mountains of Kentucky. These men speak the "language" of the mountain people and are able to get their confidence.

The efforts of the Chicago office are directed by an appointed board of managers composed of local professional and business people interested in doing something about the problems of the community.

Annual workshops, lasting 2 weeks, are held in Berea, Ky., during the summer to help urban leaders from throughout the country understand the customs, cultural values, and attitudes of the southern Appalachian migrants moving

to the large urban areas. The workshops are under the direction of the Urban Affairs Committee of the Council of the Southern Mountains, Inc. Interest in a Chicago project developed out of these workshops.

### *Program financing*

The program of the Council of the Southern Mountains, Inc., is financed by organizations, institutions, businesses, and individuals on a volunteer basis. The local urban programs depend upon the fundraising efforts of the local board of managers for their support.

### *The Chicago program*

1. The southern mountain people planning to migrate to the Chicago area are contacted through families, friends, and local agencies in the home community in an effort to alert them to the facts of urban living in the Chicago area. These migrants are urged to contact the Chicago office as soon as they get to Chicago.

2. Each migrant reporting to the Chicago office is interviewed; an employment history is taken; and skills listed for use in relation to job opportunities known to the council office.

3. The council contacts and urges businessmen to use mountain people who qualify for available jobs. Group interviews are arranged for prospective employers at the council office and the applicants are assisted in understanding the job requirements and in making out applications.

4. Job opportunities made known to the council are posted on a bulletin board in front of the council's office. Persons having skills for job openings are contacted either by telephone or in person.

5. The migrants are assisted in learning what training opportunities are available; how to apply for training; how to look for a job on their own; and how to react when they are turned down.

6. Each Saturday morning, classes are held to help the migrants learn where to look for a job; how to dress when going for an interview; how to participate in an interview; and what an employer expects of employees.

7. Success classes are held 1 night each week for 2 hours. At these sessions, conducted by an executive of the Combined Insurance Co. of America, the art of self-help is taught and individual migrants tell the class about their personal successes.

8. Public relations programs, undertaking to explain the mountain people and help the urban community assimilate these people into the community, include news media stories on the council's work and special discussions for community leaders.

### *Program assessment*

Started in November of 1963, the council's program has already had far-reaching effects on the problem of migrant relocation into the urban community of Chicago. More and more businesses and groups are becoming interested in the mountain people and are working to assist them in becoming constructive participants in their community and job.

For further information, contact STEP, or Council of the Southern Mountains, Inc., 4606 North Kenmore Avenue, Chicago 40, Ill.

### STEP SOLUTIONS TO EMPLOYMENT PROBLEMS—A CASE STUDY ON COMPANY-SPONSORED TRAINING

#### National Association of Manufacturers, New York, N.Y.

If you have this problem: Company need for a labor force with particular skills not available in the area.

This case study may help you: A company-sponsored training program to supply the skilled labor force required in an industry new to the area.

Nautilus Industries, Inc., Freeland, Pa. (near Hazleton, northwest of Allentown), located a new plant in the anthracite Coal Belt of eastern Pennsylvania to manufacture home equipment; such as, exhaust fans, range hoods, and air purifiers. Candidates for its training program were natives of the area, experienced only in coal mining, many of them chronically unemployed.



Gerald L. Cohen, founder and president of Nautilus, a native of the area, knew the type of work force available, and had the conviction that former coal miners could be trained to work in other industries. The company training program has produced a skilled, productive work force and the company has continued to show a steady rate of growth.

#### A CASE STUDY OF A COMPANY-SPONSORED TRAINING PROGRAM TO PREPARE INDIVIDUALS FOR JOB OPENINGS WHEN AND WHERE AVAILABLE

This particular case study involves the training of former coal miners whose previous work experience did not fit the skill requirements of the metalworking industry.

##### *How the program operates*

###### Selection:

1. In the selection process, the applicant is first interviewed by the top official of the company as to his motivation and his attitude about work, personal responsibility, and the company.
2. Following this interview, the names of the applicants are reviewed by four leaders of the community for a character check.
3. Those applicants that qualify are sent to the State employment service for mechanical aptitude tests in welding, assembly, and press operations. Those with the aptitudes required are employed.

###### Training:

The job classifications required are paint sprayer, shear operator, buffer repairman, press operator, welder, assembler, packer, finisher, and inspector.

On-the-job training is the only method used in training for all operations. Members of the company supervisory force are the instructors. Training time varies depending upon the job but the usual method is:

1. Detailed on-the-job instruction from the supervisor as to the job content and operation.
  2. Observation of the actual job operation.
  3. The trainee then assists a qualified operator.
  4. The trainee then works as an operator under the direction of the supervisor.
- This method of training has been done efficiently and inexpensively without upsetting production schedules.

##### *Motivation factor*

A factor of major importance in the development of a skilled metalworking labor force in this coal-mining area was the motivation of the individuals involved.

The industrial history of the area had created problems in the area of management-union relations as well as productivity, based on a substandard concept of a day's work.

First, it was necessary to establish a sound relationship between management and labor. This has been accomplished through various forms of communications; such as, a weekly letter from the president, outlining current problems and progress. Note sample above.

As for productivity, time-and-motion studies have been used to establish a standard hour-incentive plan which has proven of benefit to both employees and employer.

The employees are represented by the Aluminum Workers International Union, Local No. 465, AFL-CIO.

##### *Assessment of program*

The training program has resulted in a skilled productive work force. A typical example of transition from coal miner to skilled metalworker is an employee who spent 29 years in coal mining and had been out of work for 2 years before coming with Nautilus. Now he is a skilled stamping press operator.

Plans are underway to expand plant facilities and add 125 more employees to the present force of 150.

The community of Freeland and the State of Pennsylvania are high in their compliments about Nautilus Industries, Inc., and what it has meant to the people in that area.

For further information contact STEP or Nautilus Industries, Inc., Freeland, Pa.

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D.C., February 5, 1965.

Hon. ROBERT E. JONES,  
*Chairman, Ad Hoc Subcommittee on Appalachia,  
House Committee on Public Works,  
Washington, D.C.*

DEAR MR. CHAIRMAN: I appreciate the opportunity of presenting my statement to your subcommittee yesterday in support of the Appalachian bills. In my testimony, I referred to U.S. Highway No. 460 as a route that should be included in the Appalachian highway system, and indicated that I would submit for the hearing record statements from interested organizations in support of this highway being made a part of the proposed system.

I herewith enclose for the printed record of your hearings a statement from Mr. A. D. Gerberich, chairman of the New River Valley Steering Committee on Roads, of Pearisburg, Va., and a letter from Mr. James A. Williams, president, Great Lakes to Florida Highways Association, Inc., Wytheville, Va. I shall appreciate your subcommittee's consideration of this information as you continue your work on the Appalachia bill.

With kindest regards, I am,

Sincerely yours,

W. PAT JENNINGS.

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STATEMENT SUBMITTED BY A. D. GERBERICH, CHAIRMAN OF THE NEW RIVER VALLEY  
STEERING COMMITTEE ON ROADS

Mr. Chairman, members of the Ad Hoc Subcommittee on Appalachia of the House Public Works Committee, this is a statement in support of the Appalachian Regional Development Act of 1965 and the inclusion of U.S. Route 460 in the system of developmental roads envisioned by this important bill.

Rather than appear in person and in an effort to expedite your important hearings on this matter, we have requested Congressman W. Pat Jennings to submit our testimony to your subcommittee.

U.S. Route 460 is one of the Nation's major highways east of the Mississippi. It runs from Norfolk, Va., to St. Louis, Mo.

The section of U.S. Route 460, which is the subject of our testimony today, would relate very vitally to the Appalachian regional development program extending from Interstate 81 at Christiansburg, Va., to a point across the Kentucky State border where it intersects the proposed Appalachian Development Highway (now Route 23) from Asheville, N.C., to Columbus, Ohio.

U.S. Route 460, from Christiansburg, Va., to Kentucky, serves the counties of Montgomery and Giles in Virginia; the counties of Mercer and Monroe in West Virginia; the cities of Princeton and Bluefield in West Virginia; the counties of Tazewell and Buchanan (via Richlands, Tazewell, and Grundy) in Virginia; and into Kentucky through Pike County, Floyd County, Johnson County, Morgan County, and other counties to Lexington and west to St. Louis.

It traverses, for the most part, rugged terrain—and it comprises a narrow, twisting, winding, steep, hazardous, outdated means of transportation. In spite of these obstacles, it carries a heavy traffic load because it is the only avenue for traffic seeking commerce with the mining, manufacturing, and agricultural operations of this rugged region. Engineering problems and high construction costs have retarded its modernization since allotments by the States have never taken into consideration the excessive costs per mile. The meager allocations, therefore, provide little mileage.

U.S. Route 460 can become the most important link in the Appalachian Development Highway system for the development and restoration of southwest Virginia, southern West Virginia, and eastern Kentucky.

At Pearisburg, in Giles County, Va., U.S. Route 460 connects with Virginia State Route 100, a major link south to the veneer and furniture plants at Pulaski, Va., and the textile, furniture, and other industries of Virginia, North Carolina, and then south from West Virginia via New River Valley.

At Rich Creek, Va., in Giles County, it affords the West Virginia counties of Monroe, Greenbrier, and parts of Summers with their main access to Princeton, W. Va., and Bluefield, W. Va.

U.S. Route 460 is the gateway from the New River Valley area of Radford, Va., and the counties of Giles, Montgomery, and Pulaski in Virginia to the cities



of Princeton, W. Va., and Bluefield, W. Va., and to Mercer, Monroe, and other West Virginia counties as well as the West Virginia and southwest Virginia coalfields.

The forestry industry of West Virginia finds a ready market for its logs and lumber at the veneer plants and furniture plants at Pulaski, Va., the furniture factories of Roanoke and Martinsville, Va., and the furniture industries of North Carolina. U.S. Route 460 to Pearisburg, Va., and Virginia Route 100, south from that point, provide the only outlet for this traffic. The present narrow, winding, wornout Route 460 makes hazardous and expensive the transportation of these forestry products. Modern highways could increase the market and decrease the transportation costs.

Traffic counts show over 8,000 vehicles using U.S. Route 460 from Pearisburg, Va., to Rich Creek, Va., each 24 hours. Over 1,600 of these are trucks and tractor trailers. Celanese Corp., alone, has over 10,000 truck trips in and out of their Giles County plant at Pearisburg, Va., each year. General Chemical at Pulaski, Va., has thousands of tons of its chemical products in huge tank trailers annually traveling the West Virginia Turnpike, thence over U.S. Route 460 and Virginia Route 100 to Pulaski, Va., with chemicals from the Kanawha Valley. Other thousands of tons of General Chemical's products travel the West Virginia Turnpike and U.S. Route 460 to Rich Creek, Va., in Giles County, thence north over Route 119 to northern West Virginia, and the Pittsburgh area. This company recently protested to us about the hazards of outmoded highways and the high costs of transportation for its products. General Chemical urged us to seek a solution.

These are only two of the hundreds of industries and firms using U.S. Route 460 from south to north and from east to west.

We provide no incentive for new industries to locate along the U.S. Route 460 corridor. Reputable management, considering their employees and shareholders, view with amazement and stupefaction the hairpin turns on U.S. Route 460 through Giles County. Industrial prospects literally laugh at the highways of the New River Valley. Our roads, indeed, are a sorry commentary on our conscientious efforts to develop our area to its maximum potential.

More than once in our industrial promotion program in the New River Valley, we have been hindered by the lack of good highways. Recently, the executive director of our New River Valley Industrial Commission had an industrial prospect in Giles County Va. It was a rainy, foggy day. To get to our county seat, they had to cross a mountain over a hazardous highway with hairpin curves. While rounding one of these high-banked curves, our industrial prospect looked over to our executive director and asked: "Son, where in the hell are you taking me?"

Rich Creek, Va., is one of our communities in Giles County. Last month, we had representatives of one of the top plant site location consultants in the country to visit our area. He was seeking a site for a needle trade operation, a sewing plant which could mean 200 new jobs to our area. Just before the industrial expert reached Rich Creek, Va., the director of our industrial commission informed him that efforts are being made to seek four-lane construction for U.S. Route 460 between Narrows, Va., and the West Virginia State line at Glen Lyn, Va. The industrial expert then remarked to our director: "Christ, you sure do need it. This road certainly is treacherous."

We did not get either one of these two industries, and we have lost others this same way.

All these regions along U.S. Route 460 in Virginia and West Virginia are bound together by mutual interests through the exchange of manufactured products, raw materials, coal, other commodities and labor. They have a mutual interest also in the development that a modernized U.S. Route 460 can bring to these areas.

Hundreds of workers from Princeton, W. Va., and the counties of Mercer, Monroe, and Summers in West Virginia are now employed in the giant Celanese plant at Pearisburg, Va., in Giles County, the Radford Army Ammunition Plant at Radford, Va., and other industries in the New River Valley of Virginia. They commute daily over the hazardous and winding U.S. Route 460.

U.S. Route 460 affords Princeton, W. Va., Bluefield, W. Va., and a number of counties in southern West Virginia with their only access to the coalfields and other business interests of southwest Virginia in Tazewell and Buchanan Counties and eastern Kentucky. Bluefield, W. Va., is a great wholesale distribution center for this entire southwest Virginia area as well as Giles County, Va., to

the east. This merchandise must be transported over outmoded U.S. Route 460, delaying delivery and increasing costs.

A modern U.S. Route 460, from Christiansburg, Va., to the Kentucky border, would provide an important connection for all Virginia and West Virginia areas as U.S. Route 460 intersects (near Pikeville, Ky.) the proposed Appalachian development highway from Asheville, N.C., to Columbus, Ohio.

U.S. Route 460 would also connect these same areas with the proposed development highway from near Knoxville, Tenn., to Charleston, W. Va., as they intersect in eastern Kentucky, near the Kentucky border.

A modernized U.S. Route 460 will provide the nearest access for Giles County and the New River Valley in Virginia to Interstate 77 at Princeton, W. Va., thence over the turnpike to Beckley, W. Va., Charleston, W. Va., and the market areas of the Midwest and Great Lakes region.

At Beckley, W. Va., via 460 and Interstate 77, these areas in Virginia would have quick access to the proposed development highway from Beckley north to northern West Virginia and Pennsylvania.

At Blacksburg, Va., is located Virginia Polytechnic Institute (VPI), one of the Nation's fastest growing technical and research universities. At present, it is the fifth largest engineering school in the Nation. It has enrollment now of 6,000 students—with 15,000 projected for 1975. Route 460 provides the only means of highway transportation to this great school from any area or direction. Hundreds of students from southwest Virginia and West Virginia enroll here. Scores of others from these two States, who could not otherwise afford the cost, could commute to VPI if highway conditions were more favorable.

At Radford, Va., is located Radford College for Women, a rapidly expanding and highly rated college for girls. Radford College has the second largest enrollment of any woman's college in the United States.

In Giles County, Va., lies millions of tons of low- and medium-grade iron ore that are awaiting development. Recent prospecting and test drillings reveal huge deposits, which modern electric furnaces can upgrade for profitable processing. The use of large quantities of coal from the nearby coalfields of West Virginia will be required to develop this iron ore to its maximum potential. The Norfolk & Western Railway and certain steel interests are now conducting extensive experiments looking to this important development. The outlook is promising for a major industrial enterprise, allied with steel and iron. A modernized U.S. Route 460 is absolutely essential for the realization of this project.

The 1964 Report of the President's Appalachian Regional Commission says: "Its penetration (the Appalachian area) by an adequate transportation network is the first requisite of its full participation in industrial America."

U.S. Route 460 through southwest Virginia and southern West Virginia—from Christiansburg to the Kentucky border—is the most outdated and inadequate highway in the East for the traffic it carries. With the Commission's marvelous system of proposed development highways, crisscrossing the Appalachian area, and with a modernized U.S. Route 460 as the main link, joining together this great system of transportation, the entire region will reap immeasurable benefits by opening our inaccessible area to more industrial development. Manufactured products and raw materials can move in and out without today's transportation handicaps.

It would also introduce to thousands of tourists the most scenic and spectacular vacation spots in the Nation. Attractions such as Mountain Lake in Giles County, Va., Claytor Lake in Pulaski County, Va., the Bluestone recreational project near Princeton, W. Va., and Bluefield, W. Va., the spectacular breaks of the Cumberland and its vast park and recreation area astride the Virginia-Kentucky border near Grundy, Va., and our numerous rivers, streams, and vacation areas.

U.S. Route 460 is important to the future growth and development of these recreational areas of southwest Virginia and southern West Virginia. Its modernization will create a recreational and tourist business that will provide employment and produce revenues even beyond the industrial expansion we might expect.

Considerable effort is being made by the State of Virginia to get U.S. Route 460 included in the system of developmental roads that is provided for in the Appalachian Regional Development Act of 1965. Our Governor of Virginia, the Honorable Albertis S. Harrison, already is on record in favor of this proposal. He has been joined by Mr. D. B. Fugate, our Virginia highway commissioner, and



Joseph G. Hamrick, who is director of the Virginia Division of Industrial Development and Planning and our State's representative on the President's Appalachian Regional Commission.

Inclusion of U.S. Route 460 is also endorsed by the Honorable W. Pat Jennings, Congressman from Virginia's Ninth District; Congressman James Key, of West Virginia; by State senators and State legislators whose areas embrace this important U.S. Route 460 corridor; by the city councils and chambers of commerce in Bluefield, W. Va., and Princeton, W. Va.; the Great Lakes to Florida Highway Association (which includes West Virginia, Ohio, and Virginia); and by many other town and county governing bodies and chambers of commerce in southern West Virginia and southwest Virginia.

We earnestly hope you will exert every effort to have U.S. Route 460, from Christiansburg, Va., to the Kentucky border, included in the Appalachian program. We urge the President's Appalachian Regional Commission to designate sufficient mileage for this purpose.

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GREAT LAKES TO FLORIDA HIGHWAY ASSOCIATION, INC.,

Wytheville, Va., February 3, 1965.

HON. W. PAT JENNINGS,  
U.S. House of Representatives,  
Washington, D.C.

DEAR MR. JENNINGS: As you know from our correspondence, the Great Lakes to Florida Highway Association, which covers a five-State area from Cleveland, Ohio, to Beaufort, S.C., has gone on record as being heartily in favor of the inclusion of U.S. Route 460, from Christiansburg, Va., to the intersection of U.S. Route 23, near Pikeville, Ky., in the network of highways in President Johnson's Appalachian region project.

The present U.S. Route 460 is narrow and winding and difficult to travel in most places in Virginia and Kentucky. The construction of a four-lane highway through this particular depressed area of Virginia and Kentucky will be of tremendous help to east-west travelers as well as opening up great tourist, recreational, and industrial possibilities.

Whatever you can do to get U.S. Route 460 included in the House bill, which I understand will come before the House in the next few days, will be greatly appreciated.

Sincerely yours,

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JAMES A. WILLIAMS, *President.*

STATEMENT BY CONGRESSMAN OLIN E. TEAGUE OF TEXAS

Mr. Chairman, I would like to register opposition to the inclusion of section 203 in this legislation. We are all familiar with the fact that an identical bill, S. 2782, was considered in the Senate late in the last session of Congress and it contained an almost identical section, also numbered section 203, which was removed after lengthy consideration by the Senate. When S. 3 was before the Senate several weeks ago, an attempt was made to delete section 203 and this attempt failed. Last year when the Appalachian regional development bill was considered, section 203 was titled "Pasture Improvement and Development." It provided that the Federal Government would furnish grants up to 80 percent of the cost of improving and developing up to 25 acres of pastureland. We now find that in the new bill this section has been rewritten to avoid reference to pasture improvement, but it has been designed in such a way as to achieve the same objective and it has actually been expanded. The acreage limitation in the new bill before you is 50 acres. It seems to me that there is a certain amount of deception being practiced here. During the last session of Congress, when there was an opportunity for full consideration of this section and its impact on the livestock industry, the section was removed. Now an almost identical section has been included in the new bill with a careful substitution of words but obviously designed to achieve the same purpose.

When section 203 was considered last year, the Secretary of Agriculture was outspoken in his claims as to how this section would expand cattle production in the Appalachian area. In his testimony before the Senate committee, the Secretary of Agriculture stated, "The 9,500,000 acres of Appalachian land, now in relatively unproductive use, we propose be made suitable for feeder cow-calf operations. In fact, such operations would contribute substantially to the expan-

sion of the cattle industry throughout the Nation which it complements." It should be borne in mind that the Secretary of Agriculture was before a Senate committee urging legislation which would require large Federal expenditures to expand cattle production in one area of the United States when the entire cattle-producing industry was in its most serious emergency of the past 20 years. At the time the Secretary of Agriculture was urging expanded cattle production through Federal subsidies in the Appalachian area, ranchers and feeders were going broke all over the country. Cattle prices had dropped 30 percent to the lowest point in 15 years and the situation had become so drastic that the Congress of the United States enacted legislation to curb imports of beef. The Secretary of Agriculture opposed this legislation and in doing so he stated that beef imports were not the principal cause of the collapse of the cattle market but that the principal cause was overproduction. In his testimony on the Appalachian regional development bill in the last session, the Honorable Franklin D. Roosevelt, Jr., Under Secretary of Labor, made the following statement, "The changeover in the agricultural pattern from a cropland type of farming to a pastureland type of farming has been progressing for the last 15 years, but not nearly fast enough, and we would hope that this changeover to pastureland from marginal farming would be speeded up by the provisions of this bill."

Secretary of Agriculture Freeman further supported section 203 of the Appalachian bill in the last session with the following comments on the possibilities of increasing livestock production through the provisions of the bill, "The principal opportunity for enhanced income from agriculture in Appalachia lies in a further expansion of livestock production. We calculate that by 1972, with the full development of Appalachia's pasture resources, farmers in the region could raise their total annual income to a level about \$230 million above its present level. But a concerted effort to rebuild Appalachia's wornout pastures and convert unprofitable cropland to this purpose will require new incentives, especially for small farmers. That is the purpose of section 203, which would authorize Federal payment of 80 percent of the cost of pasture establishment or improvement, limited to 25 acres per landowner. This 25-acre limitation would apply to each landowner regardless of how many farms he may own or operate."

There can be no doubt that the principal purpose of section 203 is to make available Federal subsidies for pasture improvement and expansion of cattle production in the Appalachian area. After running into trouble in the Senate last year, the title of this section has now been changed to "Land Stabilization, Conservation, and Erosion Control." The provision for the 80-percent subsidy has been retained and the 25-acre limitation has been expanded to 50 acres. Apparently, this juggling of words was designed to obscure the purpose of the section. I doubt, however, that there is anyone who is deceived by this. If there are any doubts on this point I suggest that the Public Works Committee require the Department of Agriculture to furnish economic justification for this section and its proposed expenditures.

Mr. Chairman, I do not desire to oppose this section on the basis that the people of the Appalachian area are not entitled to compete in the cattle business. Farmers and ranchers in this area are now entitled to participate in the various soil conservation and land building programs operated by the Department of Agriculture, which have been in operation for many years. My purpose is to question the feasibility of a special system of Federal subsidy to increase cattle production in a large area of the United States when the cattle industry throughout the Nation is burdened with overproduction and plagued with disastrously low prices. Just a few days ago the President of the United States delivered his farm message to the Congress and in it he dealt in detail with the problems of rural families and he urged that the Congress act to alleviate this problem. In his message, the President said, "Lack of a decent life is almost twice as prevalent in rural America as it is in urban America. Only 30 percent of our families live in a rural area but they include 46 percent of those American families with incomes under \$3,000." The cause of the low-income pattern for our farm families is simple. Farmers and ranchers cannot obtain a fair price for what they produce. Prices which the consumer must pay rise; yet the prices paid the farmer and rancher fall. Overproduction is blamed for this situation. The President in the same message called upon the Congress to expand the acreage diversion or so-called soil bank program. We have spent billions of dollars in recent years paying landowners to remove productive acreage from production. We do not permit farmers and ranchers to harvest hay or to graze cattle on these diverted acres. The President is calling on us to expand the



acreage diversion program, yet at the same time we are being asked to support the Appalachian regional development proposal which would use Federal funds to subsidize up to 80 percent of the cost for reclaiming millions of acres in one area of the United States to be placed into livestock production. It is difficult for me to imagine a greater inconsistency. How can we fight poverty among our farm families by aggravating overproduction through spending Federal funds to increase production? How can we justify a soil bank or acreage diversion program designed to remove productive acres from production while at the same time we subsidize a program to bring new acreage into production? The irony of the entire matter is that if there is not a marked improvement in the cattle market we are deceiving and deluding those persons in the Appalachian area whom we propose to help because, even with an expanded loan program and the system of subsidy proposed to make the Appalachian area productive, these individuals will be brought into the livestock raising business through Federal encouragement, grants and loans, only to find the current cattle market is so depressed that it is extremely difficult even for a large operator to recover his costs, let alone make a profit.

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STATEMENT OF REPRESENTATIVE JOHN M. SLACK, JR. (THIRD DISTRICT OF WEST VIRGINIA)

Mr. Chairman and committee members, the proposal now under consideration before you, a bill designed to encourage development of the 11-State Appalachian region, would write a bold new page in our history and yet be in keeping with our national objectives as defined by many previous Congresses.

The economic and social shortcomings of Appalachia are well established as a result of the report of the President's Commission and earlier hearings in both the House and Senate on this legislation. Many well-informed witnesses who have studied the question at firsthand in the field have testified to the need for adoption of the pending bill. Their appearances have combined to establish a strong supporting record, and I am content to stand with them and with that record.

At this stage of the proceedings, however, we might well take a few moments to place the Appalachian proposal in its historical perspective. History reminds us that when the first Congress assembled in 1789 we were a young Nation which had just won independence, but we were woefully weak and we were debtors to the world. We were a have-not nation in the full sense of the word.

The young United States was an agrarian country composed of State units hemmed in between the mountains and the ocean, with no established industry, no proven natural resources, and no funds to develop either one. Our manufactured goods came from Europe and we paid the seller's price and even assumed the risk of transportation in many cases.

We were politically free, but economically in colonial bondage. During our first two decades as a free nation, it was still customary to rake over the ashes of a burned dwelling and recover the nails, because nails were an expensive imported commodity. The use of glass bottles and jugs was a luxury for the same reason, and they were passed along from generation to generation of the same family by last will and testament.

We might have continued indefinitely as an underdeveloped nation. Indeed, several countries of Latin America, lodged between the mountains and the ocean, have been free of outside control for over 100 years and yet have never improved their relative position among the family of nations since the last Spanish soldier marched away.

We were set free of dependence on other countries, however, and became a self-sufficient industrial producer first, and then the production workshop of the world both in war and peace. Our economic liberation dates from the post-Revolutionary years when the settlers penetrated the Appalachian region and remained to exploit the natural wealth they found.

First the furs and leathers, then the timber and salt, followed by the coal and building materials and finally the oil and gas were harvested to meet the needs of a growing nation. We became an industrial society, and the fuels and resources of Appalachia powered the drive across the continent.

During the past century there has been a succession of bold Federal efforts to stimulate regional growth and resource development. The massive land grants to the railroads were necessary to the opening of the West. The irrigation and reclamation projects under the National Reclamation Act of 1902 transformed

the southwestern marginal lands into arable acreage. The civil works program for the Mississippi River and its tributaries saved millions of acres from annual flooding. The public power program in the Northwest reconstituted the economies of a bloc of States in the area.

Each of these huge programs has borne the test of time and returned benefits many times their cost. Each represents a successive step in the evolution of a growing nation. The Appalachian program fits properly into this chain of successive steps toward a state of completeness in the utilization of our human and natural resources. It is not simply a regional betterment proposal. It is another in a series of steps begun when our forefathers made a determination that they would break away from reliance on oversea sources and set out to bring the rest of the continent into the new United States.

So, I repeat, the Appalachian proposal writes another bold page in our national history, but it is no real departure from precedent. Its cost will be only a small fraction of what we have invested in early railroad building, in reclamation, in flood control, or in public power. We have every reason to be confident that the Appalachian program will also bear the test of time and return our investment many times over.

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EXECUTIVE DEPARTMENT,  
*Atlanta, February 3, 1965.*

Hon. ROBERT E. JONES,  
*Chairman, Ad Hoc Subcommittee on Appalachia, House Committee on Public Works, Washington, D.C.*

DEAR CONGRESSMAN JONES: It has just come to my attention as chairman of the Conference of Appalachian Governors that officials of the States directly concerned with the problem of strip mining restoration are fearful that section 205(b) of H.R. 4, especially lines 18, 19, and 20 on page 21 ("Strip mine restoration projects shall be carried out only on lands, public or private, on which there is provided access and use by the public to assure an adequate public benefit.") will be so restrictive as to nullify many of the desired effects of the program.

I hope that your subcommittee will carefully examine section 205(b) to see if some amendment is necessary in order to allow an adequate program of strip mine restoration.

Please include these comments with the testimony I submitted to you on January 29, 1965.

With best regards, I am  
Sincerely,

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CARL E. SANDERS, *Governor.*

STATEMENT OF ANDREW J. BIEMILLER, DIRECTOR, DEPARTMENT OF LEGISLATION,  
AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

Mr. Chairman, my name is Andrew J. Biemiller. I am director of the Department of Legislation of the American Federation of Labor and Congress of Industrial Organizations.

The AFL-CIO wishes to record its support of H.R. 4, the Appalachian Regional Development Act of 1965. Organized labor likewise endorsed the proposals of the Appalachian Regional Development Act of 1964 which passed the Senate but failed to receive House action in the final days of the 88th Congress. I am attaching to this statement for the record, the policy resolution on regional and resources development which was adopted by the AFL-CIO Executive Council on November 24, 1964. This statement reiterates labor's support for the proposed Appalachia program and similar regional planning programs expanded to other areas of the country. I also wish to call to your attention that the AFL-CIO has formed a conference of our 11-State central labor bodies to assist in revitalizing the economically depressed Appalachia area. I am also attaching to this statement, the AFL-CIO news release describing the makeup and proposals of this committee.

The proposed act is a challenging and imaginative approach to a long-run solution of the special and pressing problems of a great and too long neglected region of the Nation. The AFL-CIO strongly endorses the act's coordinated approach to the problems of Appalachia and its far-reaching economic, social, and human and natural resource development objectives.



It has long been our view—and it is now a widely accepted view—that the Employment Act of 1946 requires the Congress to seek solutions to the problems of chronic local and regional unemployment as well as unemployment which is nationwide in scope. The 87th Congress endorsed this view by passing the Area Redevelopment Act in 1961 to help find solutions for chronic unemployment that is basically local in character.

We believe that the legislation now before you must establish at the outset an effective policy of broad overall regional planning of sound and interrelated programs.

This means that aid for Appalachia must meet specific needs and must be adequately financed by Federal and State funds. It also means there must be effective Federal-regional-State cooperation if the program is to yield results and justify the public outlays that are contemplated. Equally important, regional planning and regional action must enlist the local communities and the people of Appalachia in cooperative efforts.

The 10-State region it will serve contains great differences—but the region also shares many common characteristics. To deal successfully with the region's differing needs, resources, and social and political structures, administration of the program must be flexible and its administrator must be allowed to respond to changes and to make innovations which experience may demonstrate to be necessary. Authority must be coupled with responsibility in carrying out the Appalachian development programs.

The sharp decline of Appalachia's basic industries—coal and timber—makes all the problems of the region more difficult to deal with. The decline of these industries adds to the region's burden of hard-core unemployment, poverty, and to the steady erosion of the morale and vitality of many of the people of the region, isolation of many areas, and ravaged natural resources. Absentee ownership and educational deprivation are other symptoms of the region's chronic illness.

In his state of the Union message, President Johnson reiterated his support for "a regional recovery program to assist development of stricken areas left behind by our national progress." He has placed Appalachian development legislation high on his list of bills for immediate action by the Congress, and as an important weapon in the Administration's war on poverty.

As the President's Regional Commission pointed out, the entire region shares this "unhappy distinction \* \* \* rural Appalachia lags behind rural America; urban Appalachia lags behind urban America; and metropolitan Appalachia lags behind metropolitan America."

We believe that the proposed Appalachian Regional Development Act can help end this lag—that it can help win a major victory in the war on poverty.

H.R. 4 calls for an authorization of \$1,077,200,000 for the following major purposes:

For construction of highways and local access roads.....	\$840, 000, 000
For construction and operation of demonstration health facilities .....	69, 000, 000
For land improvement and erosion control.....	17, 000, 000
For assistance to small timber growers.....	5, 000, 000
For restoration of land damaged by mining.....	21, 500, 000
For formulating comprehensive water development plans.....	5, 000, 000
For vocational education facilities.....	16, 000, 000
For local sewage treatment works.....	6, 000, 000
For supplementary various Federal grants-in-aid programs....	90, 000, 000
For local development districts.....	5, 500, 000
Administrative expenses of the Commission.....	2, 200, 000
<b>Total.....</b>	<b>1, 077, 200, 000</b>

We are particularly happy to note that these broad programs demonstrate a concern both for the development of physical resources and for human needs and for the development of human resources in Appalachia. We particularly endorse the proposed expansion of employment services, the provision of funds for community work and training programs, extension of the school lunch program, and support for health and housing.

The people of Appalachia themselves must share in planning for progress. Without their participation, without their initiative, without their enterprise, this program will bog down in a morass of hopeless apathy. Appalachia needs money and technical assistance from the Federal and State Governments, but

this assistance will be wasted effort if it fails to arouse, to stimulate, local community action and personal enterprise by the citizens of Appalachia.

To achieve the greatest possible citizen participation in the effort of each local community to develop its physical and human resources, we urge an additional and vitally needed program, a program of leadership development.

We believe the legislation before you should include a new program to help people with leadership potential learn how they can improve their communities. Like the highly successful programs of the Cooperative Agricultural Extension Service so long conducted by the land-grant colleges, this new leadership training program could stimulate widespread citizen participation in Appalachia's towns and cities and local communities.

Leadership classes and workshops in communities and short courses on college campuses can develop broad understanding of the Appalachian regional development program. We believe the people who attend these adult education programs will acquire the knowledge and motivation necessary to get effective community action underway, using tools and assistance available under this legislation and available from other Federal, regional, State, and local sources. We view this kind of educational effort as an opportunity to develop citizen leaders—leaders who will give vitally needed drive and dynamism to the redevelopment and renewal of Appalachia.

Therefore, we urge this committee to add an authorization of \$7.5 million to this legislation. The land-grant colleges of the Appalachian States should have the authority to administer this money. Although the Agricultural Extension Service program receives Federal, State, and county funds, poverty in many Appalachian counties is so severe that we urge that financing be equally shared by the Federal and State Governments. Federal funds for this purpose might well be allocated on the basis of the population which each State has in the Appalachian area.

Each land-grant college should establish an advisory committee broadly representing the public, including organized labor, to help develop the leadership training program. We believe the legislation should require consultation and cooperation among the colleges participating in the program.

Our suggestion for leadership development would involve a relatively small expenditure, but it would have a high payoff rate in terms of economic and social progress in Appalachia. Therefore, we urge you to include such a program in the legislation now before you.

Organized labor strongly endorses the inclusion in H.R. 4 of section 402 which provides for coverage of workers employed under projects assisted by Federal funds authorized under this bill by the prevailing wages provision of the Davis-Bacon Act, as amended, and the reorganization labor standards set forth in the Reorganization Plan No. 14 of 1950, and section 2 of the act of June 13, 1934, as amended.

This provision will prevent the programs to be carried forward under H.R. 4 from undermining labor standards in the construction industry in various localities throughout the Appalachian region.

We believe this legislation to help Appalachia should contain more adequate protections against plan piracy and "runaway" employers. The existing provision of this bill, section 224(b), which deals with this issue, should be clarified to make sure that Federal aid will not contribute to any transfer of jobs from one area to another.

After comparing section 224(b) of H.R. 4, the proposed Appalachian Regional Development Act of 1965, and section 406 of the Economic Opportunity Act of 1964, in the light of the legislative history of this latter provision (see p. 35 of the Senate committee report, S. Rept. 1218, 88th Cong., 2d sess.), it would appear that section 406 adequately takes care of pirating problems that could arise under the Economic Opportunity Act and that a similar provision should be included in the Appalachian bill in place of section 224(b). We suggest the following language:

"(b) No financial assistance should be authorized under this Act (1) in relocating any establishment or establishments from one area to another; (2) in financing plants, machinery, or other industrial facilities or to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors; (3) to finance facilities for the generation, transmission, or distribution of electric energy; (4) to finance facilities for the production, transmission, or distribution of gas (natural, manufactured, or mixed)."



The AFL-CIO cannot too strongly emphasize the necessity of now writing this language into the act. The Senate-passed bill, S. 3, contains this provision.

We also strongly endorse the action of the Senate in raising from \$21,500,000 to \$36,500,000 the authorization of funds for restoration of mining areas damaged by harmful strip- and surface-mining practices.

There are millions of acres of land which have been devastated by private strip-mining operations in the past—1 million acres in Pennsylvania alone. Whole communities and their citizens have been left in a desert of stagnation, polluted streams, deserted forests, eroding hillsides, and vanishing hope for a better life.

Therefore, the AFL-CIO recommends that section 205(a) specifically include authorization for Federal aid to States in Appalachia for restoration and rehabilitation of lands damaged by strip- and surface-mining operations, in addition to authorizing Federal financial contributions to these States for sealing abandoned mines, extinguishing fires, and fostering fish and wildlife resource development.

However, we believe that any such aid to a State to restore land damaged by strip mining should be contingent on the existence of a State law which requires mining operators to rehabilitate at their own expense the land which has been damaged. Only States which meet this requirement with adequate laws and regulations to safeguard the public interest should receive Federal funds for mining area restoration.

This is by no means an unreasonable proposal. Already, of the nine Appalachian States with extensive coal-mining operations, five States have laws on their statute books which require mining operators to restore lands which have been damaged and laid waste by strip-mining or surface-mining operations. The five States with these laws to safeguard the public interest are Kentucky, Maryland, Ohio, Pennsylvania, and West Virginia. We believe that all the States of Appalachia which benefit from Federal funds for restoration of mining areas should be required to have these protective laws in effect to regulate present and future strip- and surface-mining operations.

Programs of land restoration will contribute to control of soil erosion and water pollution. They will help revive the economic potential of many areas within the Appalachia region. Even more important, perhaps, such programs will bring to these areas new opportunities for State and local government co-operation, State and local initiative, and State and local action, essential ingredients for the success of the Appalachia program.

In conclusion, I wish to repeat that the AFL-CIO strongly supports the Appalachian Regional Development Act, with the amendments I have described.

However, let us all recognize that the circumstances which have led to poverty, to blight, to social and economic lags in the depressed areas and depressed regions of this country were a long time in the making. Economic recovery inevitably will be slow. The ARA programs and this proposed Appalachia program cannot be successful unless the American economy as a whole, achieves and sustains a high rate of growth with expanding job opportunity for all American workers.

Unfortunately, persistent unemployment and poverty can continue in depressed areas and in a depressed region like Appalachia even during times of national prosperity. But without national prosperity, without an expanding economy, without new job opportunities opening up, we cannot expect even the best of aid programs for depressed areas to be successful.

Therefore, we urge this committee to act promptly on the Appalachian Regional Development Act of 1965, as part of the overall national attack on poverty and as part of the national effort "to promote maximum employment, production, and purchasing power," as required by the Employment Act of 1946.

EXCERPT FROM AFL-CIO EXECUTIVE COUNCIL STATEMENT OF NOVEMBER 24, 1964  
ON "AFL-CIO LEGISLATIVE GOALS OF 1965"

#### REGIONAL AND RESOURCE DEVELOPMENT

Experience under the Area Redevelopment Act of 1961 has demonstrated the need for a broader assault on chronic depression—an assault that embraces a region rather than a single community. The proposed Appalachia program conforms to this need and it has our support.

There should be similar programs in other areas, based upon the concept of regional planning. Financial and technical assistance by the Federal Government can obviously be more effective on this broader base.

There remains the national challenge of conservation and development of natural resources. Such areas as water supply and river development, giant grids for the interstate transmission of electric power, desalinization of sea water, the preservation and maintenance of national forests and rangelands—and these are but a few—require firm Federal initiative.

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#### NEWS FROM THE AFL-CIO

The AFL-CIO today announced formation of an 11-State labor confederation to assist in revitalizing the economically depressed Appalachian area.

The newly formed AFL-CIO Appalachian Council will bring labor organizations in the region into a single coordinating unit to work with community groups and Federal and State Government agencies.

Its full program yet to be formulated, the council's initial goal will be to inform working men and women of the particulars in the programs currently underway in the Appalachian area and assist in developing competent leadership to carry out these and future programs.

As the central agency for labor's joint efforts, the council will work with the Department of Labor, the Area Redevelopment Administration, the Department of Health, Education, and Welfare, and the Office of Economic Opportunity. The council will also work with State programs, such as those being established by the land-grant universities.

The council anticipates favorable congressional action early in 1965 on the Appalachian program and subsequent cooperation with the Appalachian Regional Commission, which is expected to be created.

Initially formed by State AFL-CIO organizations, the council will be expanded to include international unions, regional bodies, local unions, and city central organizations from which the leaders of the 2½ million union members in the area can help implement the program.

Participating in the council formation were representatives of all State AFL-CIO organizations in the 11-State area. Preliminary work on the council took place in October at the Appalachian Trade Union Conference in Charleston, W. Va., where the need for a regional group to weld together labor's anti-poverty efforts was agreed upon.

Chairman of the council is Miles Stanley, president of the West Virginia Labor Federation, AFL-CIO, who will establish offices in Charleston. Vice chairman is Harry Boyer, president of the Pennsylvania AFL-CIO and secretary-treasurer is Robert Bollard, secretary-treasurer of the Ohio AFL-CIO.

Serving on the executive committee are Sam Ezelle, executive secretary-treasurer, Kentucky AFL-CIO; Charles Della, president, Maryland State and District of Columbia AFL-CIO; and Barney Weeks, president, Alabama Labor Council, AFL-CIO.

The other board members are Sinway Young, president, South Carolina Labor Council, AFL-CIO; Matthew Lynch, president, Tennessee State Labor Council, AFL-CIO; Harold Boyd, president, Virginia State AFL-CIO; W. M. Barbee, president, North Carolina State AFL-CIO; and W. H. Montague, Sr., president, Georgia State AFL-CIO.

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NEW YORK, N.Y., February 4, 1965.

HON. ROBERT E. JONES,  
*Chairman, Ad Hoc Subcommittee on Appalachia, House Public Works Committee, Washington, D.C.:*

Patents amendment attached to S. 3, Appalachia bill, without Senate committee consideration would seriously curtail quality of research relating to subject. Several bills have been introduced in Congress on patent rights involving all Government-sponsored research and full-scale hearings are in preparation. A Presidential memorandum on the general subject also was recently implemented by Executive Office of the President. On behalf of industrial research community, strongly urge Senate amendment not be adopted to allow for full congressional hearings on this vital patents subject. Respectfully ask this be considered in your subcommittee deliberations.

F. O. HESS,  
*Chairman, Patents Committee, National Association of Manufacturers.*



## STATEMENT OF HERBERT WALTERS, FORMER U.S. SENATOR, MORRISTOWN, TENN.

Mr. Chairman, members of the committee, I am happy to endorse S. 3, the Appalachian Regional Development Act of 1965.

This legislation is a result of a great deal of study at both the State and Federal level, and the special plight of this region has been established. It is an area where both human and natural resources have been abused and neglected. Its problems have been recognized but little if any affirmative action has been taken.

There can be no question that the Appalachian Act will prove to be of inestimable value to my State of Tennessee and her sister States which are part of Appalachia. This far-reaching method of economic development will assure over the coming years a faster pace of economic growth in the 49 counties which lie in the Appalachian portion of Tennessee and it will also mean a stronger and better balanced economy for the entire State. During my brief term of service as a U.S. Senator I am proud I supported the Appalachian Act of 1964. I did so because I realized the need to stimulate a more healthy economic climate in Appalachia and because I approved of the methods and programs contained in the President's proposal. President Johnson has declared his intention to lead us to a greater society than our democracy has yet known. In his inaugural address he told us: "In a land of great wealth, families must not live in hopeless poverty. In a land rich in harvest, children must not go hungry. In a land of healing miracles, neighbors must not suffer and die unattended. In a great land of learning and scholars, young people must be taught to read and write."

In Appalachia, children do go hungry and they do grow up without an education. People suffer because of the lack of medical facilities and proper care.

We must not let this region remain apart; its people—our people—merely existing on the fringes of the better life.

The 11 States, including Tennessee, involved have the will but not the means to adequately help the people of Appalachia participate in the Nation's general prosperity. The poverty of these mountain people is necessarily a matter of great concern to us all: we cannot, in good conscience, continue to close our eyes; shut it out of our minds and our hearts; and wish it away. The legislation this committee is considering will help the people of Appalachia mine their great resources which lie not only in the coalfields but in their children; in their beautiful mountains and forests; and in their independent spirit. In this connection, it is imperative we make it abundantly clear that the funds to be expended are in no sense a handout. They are tools to build and provide incentives which will overcome the inertial of rest which has stagnated the Appalachian region.

The \$840 million for highway construction, provided in this bill, is basic to solving the problem of isolation in this rugged land. These development roads would link Appalachian communities with each other and the outside world; tourism and new business enterprise would be encouraged; and schools would be helped to consolidate.

The new roads would be supplemented by the land and water development provided in the bill. Areas damaged by mining activities would be restored. Measures would be taken to control floods and clean up streams which have been polluted.

The people of Appalachia would be helped not only by the aid provided to improve their own physical environment but also by measures to improve their own physical health. Demonstration health facilities would be constructed with the aid of special grants. These hospitals and treatment centers would help remedy the health and nutritional deficiencies so prevalent in the region.

As important as these features are, there are still other reasons which show the Appalachian Act to be the right approach to the problems of Appalachia and, especially, the problems of Tennessee. I refer to the framework which the bill establishes; for regional programs have application to Appalachia. The regional approach, as set up by this act, will be far more effective in implementing the program than if each State were to work by itself. The State of Tennessee has had only the finest experiences in regionalism during the past several years as it has worked with other Appalachian States in helping to bring about this program. Furthermore, the valuable work and experience of the benefits of the Appalachian Act is in as comprehensive a manner as possibl

I am, therefore, pleased to add my support once again to this vital legislation which will strengthen not only the Appalachian region but the national economy as well. Its successful enactment and implementation will contribute to the productivity and development of a valuable region and the people who live there.

I want to urge your most expeditious and favorable action on this bill.

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STATEMENT OF JACOB CLAYMAN, ADMINISTRATIVE DIRECTOR, INDUSTRIAL UNION DEPARTMENT, AFL-CIO

Mr. Chairman, my name is Jacob Clayman, administrative director, Industrial Union Department, AFL-CIO. The affiliates of the Industrial Union Department includes some 6 million union members.

The Industrial Union Department wishes to urge the speedy passage of the Appalachian Regional Development Act of 1965, largely along the lines of H.R. 4. We are in accord with the statement on this measure presented to your committee by the AFL-CIO.

The support of the labor movement for an Appalachian regional program rests on the same premises as our support for the Employment Act of 1946, the Area Redevelopment Act, and other legislation aimed at the full utilization of our economic potential as contrasted to the waste and stagnation which continue to exist in the absence of wise public policy and action.

We feel that this measure may mark the opening of a new frontier of social action and planning; providing a new type of public agency for grappling with the particular problems of Appalachia; and, subsequently, other regions.

We are convinced that the creation of a good, decent, Great Society, including the elimination of poverty, is impossible unless we can increase the output of our economy and direct a large portion of that increased output into public programs, special and ordinary. So we are highly conscious, as indeed you must be, that the most promising program of regional planning and development can achieve only limited progress in the face of a continuing high level of unemployment in the country as a whole.

In offering our firm support for H.R. 4 we wish to reiterate our oft-repeated belief that, despite the better than usual record on unemployment in the last 4 years, we must do far better. We reject the idea that a level of 4½ or 5 percent unemployment is tolerable.

Nevertheless, we are also aware that even with lowered levels of unemployment nationally—indeed, if we are to achieve full employment—there are regional and local problems which call for special programs. The depth of poverty and illiteracy and the high level of unemployment in Appalachia calls for a new and special approach similar to this measure; an approach designed to apply some specific remedies already agreed upon, primarily highway construction, but also designed to provide the means for continuing studies of the region; studies which must lead to creative new action and institutions.

In endorsing H.R. 4, we do not intend to preclude consideration and passage of bills calling for regional planning and action programs for other areas but we do request that this bill be passed without crippling amendments and without being broadened so far as to jeopardize even an Appalachian beginning.

We strongly endorse the action of the Senate in raising from \$21,500,000 to \$36,500,000 the authorization of funds for restoration of mining areas damaged by harmful strip- and surface-mining practices. We urge that the act specifically include authorization for Federal aid to States for restoration and rehabilitation of lands gutted by strip- and surface-mining operations in addition to authorization for contributions to States for sealing abandoned mines; extinguishing fires; and fostering fish and wildlife development. No funds for restoration of stripped lands should be made available to any State which does not require mine operators to rehabilitate, at their own expense, any land being strip mined now and in the future. The Federal Government should be prepared to assist in overcoming the continuing evil consequences of past action but it should not do so until it is assured that each State will live up to its responsibility in the future.

We urge the inclusion of language stipulating that the Appalachian agency shall conduct studies of the potential benefits to be secured from the coordinated use of coal and hydro in the field of electric power. We refer you to the following language of the President's Appalachian Regional Commission on this subject:

"These studies should be conducted with the assistance and counsel of an advisory committee which includes representatives of private utilities, electric co-



operatives, municipal systems, Federal and State agencies, and the public. \* \* \*

We are somewhat troubled by the proposed administrative structure of the Appalachian agency; a structure which we feel may well delay desirable action in some instances, and prevent it in others, but we are making reference to this only in terms of the need for surveillance and possible future action. We do not wish our doubts to jeopardize or delay passage of this measure. We believe experience will indicate that adequate and essential State and local cooperation can be secured more promptly and efficiently by a regional agency administered by Federal appointees, but the promise of this measure is so great, and the needs it is designed to meet are so tragic, that we are not willing to do more at this time than to express our concern.

We urge the immediate passage of this measure as a part of the comprehensive program for the elimination of poverty in this country.

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AMERICAN FARM BUREAU FEDERATION,  
*Washington, D.C., February 5, 1965.*

Re H.R. 4, Appalachian Regional Development Act of 1965.

HON. GEORGE H. FALLON,  
*Chairman, Committee on Public Works,*  
*U.S. House of Representatives, Washington, D.C.*

DEAR CONGRESSMAN FALLON: This is to summarize the views of the American Farm Bureau Federation relative to the Appalachian Regional Development Act of 1965.

The elimination of the provision contained in the similar bill in the last Congress of the proposed regional corporation, represents, in our view, a major improvement. This corporation would have been assigned major responsibilities that we believe can and should be exercised by appropriate agencies of the respective State governments. We must, however, express our continuing concern with respect to the precedent involved in approaching problems on a regional basis, the ultimate effect of which may be to seriously impair State authority. It is significant to note that much of the debate of this issue in the Senate involved discussion of other prospective regional programs.

We favor modification of the language of the bill in the following respects:

We favor revision of the provisions of section 101(b) relating to the requirement that each decision of the Appalachian Regional Commission must be approved by the Federal Cochairman. Since the functions of the Commission are almost entirely advisory—advisory to the States and to Federal agencies—it would appear to us that there is no reason to bar the Governors of the 11 States from expressing their majority opinion, even though the Federal representative may hold different views.

We are also concerned with respect to the provisions of section 203 relating to the "improvement and development of land for pasture and erosion control." In view of the continued overproduction and depressed price situation with respect to livestock, this provision is in conflict with the interest of livestock producers in the Nation and also in the Appalachian area. We therefore favor the deletion of this provision. Such deletion would leave in effect the present cost-sharing provisions of the agricultural conservation program. This program already provides for payments for pasture development, but at a lower rate. Under the supply-and-demand conditions currently facing livestock producers, the increased incentives of section 203 appear unwarranted.

It will be appreciated if you will incorporate this letter in the hearing record.

Sincerely yours,

JOHN C. LYNN, *Legislative Director.*

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NATIONAL ASSOCIATION OF COUNTIES,  
*Washington, D.C., February 4, 1965.*

HON. GEORGE H. FALLON,  
*Chairman, Committee on Public Works,*  
*U.S. House of Representatives, Washington, D.C.*

DEAR CHAIRMAN FALLON: It is requested that the contents of this letter be made a part of the committee record of H.R. 4, the Appalachia Regional Development Act of 1965.

Inasmuch as the principal concept of the proposed program relates to a regional approach affecting 355 counties in 11 States, I should like to express the views of the National Association of Counties on this subject.

This can best be done by extracting a portion of a speech by our executive director, Mr. Bernard F. Hillenbrand, entitled "A Common Market in Regional Attitudes." This speech was given approximately 3 years ago, and in our view its philosophy is equally as pertinent now as it was then.

"Voluntary regional cooperation: This teamwork does not come easy. One of the experimental techniques for working together is voluntary regional cooperation now being tested in the urban areas of New York, Philadelphia, Baltimore, Washington, Detroit, Salem, and San Francisco. In our view the key to the success of these experiments is a mutual understanding that certain problems require group action and a corresponding genuine desire to voluntarily work together as a group. Once we have this understanding and this attitude the rest is relatively simple. We already have most of the technical know-how and we have or can get the necessary financing to make urban life safe, economical, and truly rewarding.

"Mutual benefits: Every citizen, central or suburban, will benefit from working together, but how can you prove it?

"Nearly everyone who has wrestled with the problem of documenting the advantage of voluntary regional cooperation has found it difficult to translate teamwork benefits into dollars and cents. For example, it is passed all discussion or dispute that each State benefits from the United States of America, but how would you prove it? What is the dollar value of being free? How can you explain why New York pays \$3 in Federal taxes for each \$1 of Federal aid it receives and Mississippi pays \$1 in taxes for each \$3 it receives in aid. And yet New York's Congressmen usually support new Federal aid.

"The answer is that we are dealing with matters much more meaningful and important than dollars alone and in these terms we all have much to gain.

"We can all have both local playgrounds and regional parks. Together we can collectively plan, build and equitably finance adequate area-wide facilities for water supply, sewage disposal, pollution control, and transportation. With care we can both work and live in attractive areas and within broad limitations, we can all live the full life as each of us interprets the full life.

"Many fine people have been critical of voluntary regional cooperation. Some have said we need supergovernment and these voluntary experiments are bad because they delay an effective approach to our problems. Some have taken the reverse position and said that these are supergovernments and already go too far.

"NACO's position: We, in the National Association of Counties know exactly where we stand and why. Our American county platform notes that, certain common problems facing our citizens, such as transportation, planning, water supply and sewage, civil defense, open space, industrial development, and others which transcend local geographical borders, must be approached from an area-wide point of view because existing governmental units, acting alone, are not capable of finding equitable and effective solutions.

"The key to the solution of these problems rests, in the first instance, with the officials whom the citizens select and control through the election process.

"In order to cope with these problems, the National Association of Counties strongly supports the principle of voluntary cooperation among all levels of government concerned, particularly between county and other local officials. We note the evolution of various voluntary regional cooperation groups consisting of local units of government, whose officials sit down together, study the problems, and in the spirit of the give-and-take of the conference table, evaluate the facts in an endeavor to arrive at sensible, politically acceptable solutions.

"We urge county and other local officials to consider the formation of such voluntary cooperation groups whose objectives would be to: (a) discuss and identify problems, (b) establish a consensus, (c) cooperate in implementing agreed-upon regionwide policies, and (d) support appropriate legislation.

"In short, NACO is guided by these principals of regionalism:

"(1) It must be voluntary.

"(2) It must be under control of the elected officials.

"(3) It must preserve the integrity of existing units of government.

"County growth: County government itself has enjoyed a tremendous expansion in program services through this same need to provide certain services on a countywide basis. In our county dealings with central cities, villages, townships, and school districts, we have tried to be guided by these same principals.



"We recognize the need for Federal State aid but we strongly believe that Federal and State participation should supplement and not replace local decision-making. We are likewise strongly opposed to supergovernment."

We would hope that the three principles described above would be made an intrical part of the legislation.

Very truly yours,

EDWIN G. MICHAELIAN, *President.*

Mr. CRAMER. The record will be open for 10 days.

Mr. JONES. I thought we would keep it open for 7 days and then we can go to 10. Is that all right?

Mr. CRAMER. I would like to see it kept open for 10 days. That will mean Monday a week.

Mr. JONES. I have no objection to it.

The correspondence coming to us from the various Governors I think should be made a part of the record. I think we should be liberal in receiving statements.

The members of the committee should receive those statements and send them to the clerk.

I ask unanimous consent that all members have the right to submit statements of their own, or on behalf of their constituents.

This is a matter of national importance and you might have people who live beyond Appalachia that might want to express themselves and the record should afford them the opportunity.

Mr. CRAMER. With regard to that, I think it is an interesting observation relating to the entire hearings that we have had no witnesses from areas outside Appalachia. We have had no highway departments. We have no States represented who might take a different view with regard to setting these programs up on a regional basis. Those are the areas discriminated against with this approach.

I think that is one of the weaknesses of the hearings, the opposition, particularly State agencies, might feel that way and they have not made presentations to the committee.

Mr. JONES. Your observation goes to the frailties of all congressional hearings.

I think they have had a fair opportunity to come in. This is not a new subject we have been dealing with. I think we have had a wholesome hearing.

Let me say this before we depart: I want to thank every member of this subcommittee. They have been most considerate of the Chair. They have been considerate of the witnesses.

It is always a thrill for me to know that I serve with a group of members on both sides who are conscientiously devoted to a public purpose. I want to thank you, Mr. Cramer, Mr. Baldwin, and all the members on both sides for being most helpful and cooperative.

Mr. CRAMER. You certainly have been most fairminded in permitting all members, and certainly those on our side, to ask any and all questions we wanted of the witnesses available.

Mr. JONES. That will be a common practice.

The committee will stand adjourned.

(Whereupon, at 12:40 p.m., the subcommittee adjourned.)

(The following was furnished for insertion:)

MONONGAHELA POWER Co.,  
Fairmont, W. Va., February 11, 1965.

Hon. JAMES KEE,  
House of Representatives,  
Washington, D.C.

DEAR CONGRESSMAN KEE: I understand that the ad hoc subcommittee hearings on the Appalachian regional development bill (H.R. 4) have been completed but that the record is being held open until February 15 and that statements from constituents of Members will be accepted.

The views of Monongahela Power Co. and the Allegheny Power System, of which it is a part, on the Appalachian Regional Development Act (which we favor in its present form) were set forth in the hearings in connection with H.R. 11065 in the last session of Congress, and we had not intended to burden the record of the current hearings with any repetition of them. However, on the final day of these hearings, Mr. Chas. A. Robinson, Jr., put forth all over again the National Rural Electric Cooperative Association's proposal for a Federal corporation to construct and operate in Appalachia a number of large-scale steam-electric generating stations and to market the power from them. Accordingly, we would very much appreciate it if you could have this letter and the enclosed letter, dated June 13, 1964, in the previous hearings made a part of the present record.

My letter of June 13 sets forth fallacies in the NRECA proposal. This time the NRECA argues that the Federal Government should build and operate generating plants in Appalachia in order to provide revenues for an Appalachian development assistance fund to liquidate the Federal expenditure contemplated by the Appalachian Regional Development Act. In other words, the NRECA proposes that the Federal Government raise the funds needed for the Appalachian program not through the exercise of its taxing powers but by engaging in a business for profit. This is plainly not a proper function of the Federal Government. But if it were, why go into the power business? Why not go into any one or more of a dozen other businesses in which the Government could earn a greater return on its investment?

Moreover, if the Federal Government wants to raise funds through power sales, it doesn't have to spend vast sums of money building new generating stations. Nor need it forgo the tax revenues from the investor-owned business which these new stations would necessarily take the place of. All the Federal Government need do is sell the billions of kilowatt-hours it presently generates at projects such as TVA and Bonneville, for a price sufficient to return to it the differential, pointed out by the NRECA, between the cost of producing these kilowatt-hours in a Federal plant and in an investor-owned plant. As can be seen from the NRECA's table I, this differential is attributable almost entirely to the absence of taxes from the cost of producing electricity in Federal plants. The portion of the differential comprising Federal taxes comes to some \$160 million a year.

Sincerely yours,

DON KAMMERT.

MONONGAHELA POWER Co.,  
Fairmont, W. Va., June 13, 1965.

Re special hearings on H.R. 11065, Appalachian Regional Development Act of 1964.

Hon. CLIFFORD DAVIS.

Chairman, Special Subcommittee on Appalachia, House Committee on Public Works, Washington, D.C.

DEAR MR. DAVIS: Referring to my statement dated May 27, 1964, to the Committee on Public Works in connection with the above, I understand that at hearings of your committee in the last few days it was proposed that the Appalachia program include the establishment of a Federal development corporation to construct in Appalachia a number of large-scale steam electric generating stations, hydroelectric generating facilities, and extra-high-voltage transmission lines to supply the electric energy requirements of the eastern half of the United States. Justifications for the proposal were that the projects would provide increased employment in the region; would attract industry; would provide funds for the development of Appalachia; and would reduce power costs in the Northeast. Not one of these assertions will stand up under examination.



As Secretary Udall pointed out in his testimony, the operation and maintenance of powerplants can be handled by a relatively few highly trained specialists and so provide very few jobs. So the jobs have to come in coal. But maximum employment from utilization of Appalachia coal obviously will not be obtained by burning coal at generating stations in the area, but only by shipping coal by rail, and not by wire, out of the region.

Whatever industries were attracted to the region would not be attracted by the generating stations but by the tax-free price at which the power from these stations would be sold. As far as attracting industry is concerned, the proposal is simply an incredibly elaborate and costly way of offering indirect tax relief. If we want to attract industry to Appalachia through tax incentives, why not do it directly as we have done in the case of Puerto Rico? Moreover, direct tax incentives will attract high-employment industries, whereas low-priced electric energy will not. Industrial users of electric energy in sufficient quantity to have the price of it a significant factor in their plant locations are low-employment industries such as aluminum reduction and chemical complex industries.

Experience has shown that Government-subsidized power is not important in attracting new industries to a region or stimulating its economy. After 30 years of operation and a present investment of more than \$2.3 billion in the Tennessee Valley Authority's power facilities, 132 of the 201 counties in TVA service area are classified as depressed areas and 103 of them are located in Appalachia.

The proposition that a Federal corporation would provide a means of raising funds for local development is so outrageously at variance with the facts as to make it hard to believe it could be honestly advanced. What this Federal power corporation would provide would be only a fraction of the Federal, State, and local tax revenues that it would eliminate. A taxpaying corporation selling the same number of kilowatt-hours would collect in Federal taxes alone more than twice the amount that the Federal corporation would produce by a charge of one-half mill per kilowatt-hour sold.

Finally, the assertion that these projects would provide low-cost power for the Northeast is purely a matter of semantics to avoid the fact that this would not be low-cost power, but tax-free power. Here again, if the Northeast needs tax relief, it should be given it directly, not through an elaborate scheme such as this.

Very truly yours,

D. M. KAMMERT.

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COUNCIL OF THE SOUTHERN MOUNTAINS, INC.,  
Berea, Ky., February 8, 1965.

Congressman JAMES KEE,  
Public Works Committee,  
Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN KEE: These letters (1) copies of a statement by a representative of a Girl Scout troop, (2) copies of letters these Girl Scouts received from pupils in the rural school they visited, (3) copies of a letter from the teacher of the school, are submitted at the request of the Girl Scouts who "discovered" poverty and what it means while doing volunteer work at the one-room school.

These girls hoped to come to Washington to testify to the facts as legislation was being designed and acted upon. Their informed concern has been shared with Senators Morton and Cooper and with Representative Perkins.

The council's interest has been to assist these young and sincere "citizens" to express themselves effectively, merely to state the facts as they have come to know them and to share their statement with those who really want to know what the situation is for which the Federal Government is planning assistance.

These girls may be contacted through our office here in Berea, Ky. We are willing to be of such use in these matters as may be appropriate.

Sincerely,

P. F. AYER, *Executive Secretary.*

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BEREA, KY., February 6, 1965.

PUBLIC WORKS COMMITTEE,  
U.S. House of Representatives, Washington, D.C.

GENTLEMEN: I am representing the Berea, Ky., senior Girl Scout troop. We are all in the 15 to 16 age bracket.

Saturday, December 12, 1964, five girls from our troop went to ——— County, Ky., to a small out-of-the-way school. This tiny school was located approximately 10 miles from ———, Ky.

We left at 7 o'clock in the morning and spent the day there.

As soon as the children saw the car they took off running. It hurts me to see children so eager to learn, but who do not have the opportunity. I was actually ashamed to think I had ever dreaded going to school.

Just to look at one of these children made me want to cry. They were simply pitiful. The children are practically without clothing to wear and the schoolroom was so filthy that they couldn't help getting dirty.

As we passed by one of the houses we saw a small boy, no more than a baby, sitting on a pile of coal, barefoot. The weather was cold and damp and he was without a coat.

The schoolhouse was more than 50 years old and was constructed like a barn. The building had never been painted and the windows were nailed onto the walls.

Inside of the school the temperature was so low that the children had to keep their coats on even if they were sitting around the potbellied stove. The room temperature away from the stove was 32° F. or below the majority of the winter. The cracks in the wall were so large that a hand would easily go through them. The wind was so strong that the pictures would not hang on the wall.

The water supply was low and the water had to be carried from neighborhood homes in tin buckets. Sanitation is impossible and no restroom facilities have been provided.

The children are still seated in the old-fashioned desks and two people occupy a desk constructed for one person. Books are arranged in cardboard boxes and some are stacked on the floor since no bookshelves are available.

The people consider themselves extremely lucky to have the convenience of electricity. Their complaints are few and they are thankful for what God has given them.

The school is short on supplies and there are not enough pencils for each child to have one of his own. The teacher was asked what was needed more than anything and her reply, was, "It would be wonderful if each child had his own pencil to work with."

Most of the children are backward and shy, because they have no outlet to the rest of the world. The majority of them have been no more than 1 or 2 miles from their home. One of the boys had never heard of an ocean and he was puzzled when one of the Scouts mentioned that the world was round.

Some other problems these people have are the ungodly roads and their living quarters. The mud on the roads (if you could call them roads) appears to be at least 6 inches thick, and how we managed to get there in the car is a mystery to me. Everywhere you went there were holes to dodge, and sometimes there was nowhere to dodge.

These people are living in homes which I think are disgraceful to our country. The children and parents have no other choice than to live there. They have no money and no place to work. If they had jobs in towns they would not have transportation to get there. It took us 25 minutes to go 4 miles so you can imagine the conditions there.

We have seen the conditions there and we know that something must be done for these people. We love these people and are interested in them whether anyone else is or not.

The Appalachian volunteers have been working in these areas and have helped quite a bit, but the trouble is so broad that more help is needed, help from their country. These people need our help to receive the education and God-given rights that they deserve.

Sincerely yours,

SHIRLEY DEVERE,  
*Girl Scout Representative.*

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KENTUCKY, January 11, 1965.

DEAR SIR: I'm a boy 15 years old, walk every morning to school about 2 miles and the road is so muddy, I can hardly study for dirt on me. We need work done on our roads so we can fair like other children, ride a school bus as for myself I will go through school if it's possible. I only have one eye and life would be bad, without an Education the only way I can get it is for our Governor to help us children in \_\_\_\_\_ County on \_\_\_\_\_ Creek. Build us roads and we will do our best. Set trees by the road, help Build Better schools, Houses, and our fathers is ready to help work.

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DECEMBER 29, 1964.

DEAR JUDY : Just a few lines to say Hello how are you getting along, fine, I hope. Well for me O.K. When are you all coming back to see us soon I hope. Do you still go to school. We got off a week for Christmas and our teacher got sick and she miss Monday and Tuesday and Lucy Daile was sick too. That is our teacher.

All the school kids is just fine. When are you all coming back to see us? Soon I hope. Bring the girls that you brought at Christmas. Miss Years gave all the girls a doll for Christmas and the as ball and our teacher us a jump rope. And since a nice Mother and father a Walk doll. What did you get for Christmas? Will you send me a picture. I hope you will. Write me soon if you can. I can't think of no more to say so I close now.

Your friend.

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JANUARY 7, 1965.

DEAR MISS : I will write you a few line about our road. They are going to take the school bus off the road if they don't fix the road and you hardly walk for the muck and the mud is about a foot deep and we need tables to eat on. We would appreciate it if you would get it fixed. We need a new bus that has a four wheel drive. It is just too hard for the other children to walk that much farther than I do.

Yours truly.

P.S.—I am a cripple that is why we need transportation.

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KENTUCKY, Jan. 7, 1965.

DEAR : I thought I would write you to tell how bad our road is. It is so bad the school bus cannot get over it. We need it coated by red dog gravel. And we need a place to play. We also need material for our classroom and new seats for the classroom, too.

We need a power wagon to go over our school road; of course nothing will get over it. And for our lunchroom we need tables, too, and a clock to tell time with. Send me Louise address and it would be good to see you and Louise. I hope you come up before school goes out. Come next year at least. Everyone is hoping that you will, and I am, too. Maybe I see you before school goes out. Bye.

Sincerely.

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KENTUCKY, Jan. 7, 1965.

Miss : I am coming 3 miles to school and the road is bad and the bus is not running every day, and we would appreciate if the road would be fixed because I am walking to school about every morning because the road is bad; the bus can't run; and I hope that they come and grade the road and gravel it.

We need tables for the lunchroom and need oil to put on the floor. The mud is kneedeep. This is about all I can write.

Very yours truly.

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KENTUCKY, Jan. 7, 1965.

DEAR : Though I would write you and tell you just how bad the road is it is so bad that school bus can't get over the road some times, and we miss school becaus the bus can't get over the muddy road no one wants to come and fix the road and the people that put out the buses is going take it off the road. The mud almost comes up to our knees. I wish you all could see it Our fathers can't get out to there work.

And they all need the money for there families. If you all could help use to get our roads fixt up we would thank you and we need table in school and we need part for the wondow some kids can't get out to school I hope you can help use

I have give lots of people your address. And they said they would write you. I hope you will get these letters. When are yall coming back to see use and how the roads are we sure so miss you all. We have nothing to play in but a mud hole that is all I can write so I will close.

Your friend.

JAN. 6, 1965.

\_\_\_\_\_,  
Berea, Ky.

DEAR MISS: I am writing you concerning our road, with hope you can help us to get a decent road.

We are having to wade water and mud to school, and we would like so much to have a good road.

My daddy carries a pick as he goes to work to dig his truck out of the deep ruts.

Please come back to see us soon.

Sincerely yours,

\_\_\_\_\_, Ky., Jan. 7, 1965.

DEAR \_\_\_\_\_: I am so glad you wrote some of the children, and asked if we needed some help with our roads. We most certainly do need something done about our roads. They are impassable almost now.

The State man from Frankfort is going to take the school bus off the road, because the roads are so bad. The sad thing is those little children walking 3 or 4 miles in the cold and the mud.

It is just 5 miles from the highway at the mouth of \_\_\_\_\_ Creek to \_\_\_\_\_ County going up \_\_\_\_\_ Branch of \_\_\_\_\_. \_\_\_\_\_ County judge has already said he would black top the road up the top of hill joined \_\_\_\_\_ Co. We would like to get this 5 miles blacked topped. This would be a great interest to all of the citizens of \_\_\_\_\_ Co.

Maybe you can bring this up before the people at Washington when you all go down there. What ever you all can get done will highly appreciated.

We also have other needs at school. We are in desperst need for a well. We have carried water for the last 10 years, and it is really hard these cold days carrying water for hot lunch use and the children use for drinking.

We also need tables for the lunch room, and the floor needs gem coating. The class room and the lunch room gets so dusty we can't hardly stand it, since I have asthma and several of the children does too. The dust really does increase the asthma attacks.

Hope you will let us know what all you got done on your trip to Washington. We will never forget you for what you all have already done for our school. All of my students I think have written you.

Sincerely yours,

Mrs. \_\_\_\_\_, \_\_\_\_\_.

P.S.—We live 5 miles from the post office, and we can't get our mail half the time. Would like for the mail rout to be extended up \_\_\_\_\_ Branch Creek.











## LEGISLATIVE HISTORY

Public Law 89-4  
S. 3

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- Jan. 4, 1965 Rep. Fallon introduced and discussed H. R. 4 which was referred to House Public Works Committee. Print of bill and remarks of author.
- Jan. 6, 1965 Sen. Randolph and others introduced and Sen. Randolph discussed S. 3 which was referred to Senate Public Works Committee. Print of bill and remarks of Sen. Randolph.
- Jan. 15, 1965 Sen. Hart submitted proposed amendments to S. 3.
- Jan. 19, 1965 Sen. Nelson submitted and discussed proposed amendment to S. 3.
- Jan. 22, 1965 Sens. Nelson and McCarthy submitted, and Sen. Nelson discussed, proposed amendments to S. 3.
- Jan. 26, 1965 Unanimous consent given to committee to file report by Wed., Jan. 27.
- Jan. 27, 1965 Senate committee reported S. 3 with amendments. S. Report 13. Print of bill and report.
- Jan. 28, 1965 Senate began consideration of S. 3.
- Jan. 29, 1965 Senate debated S. 3.  
Summary of S. 3 as reported by committee.
- Feb. 1, 1965 Senate passed S. 3 with amendments.  
Sen. Byrd, W. Va., inserted analysis of S. 3 as passed by Senate.
- Feb. 2, 1965 S. 3 was referred to House Public Works Committee. Print of bill as referred.
- Feb. 8, 1965 H. subcommittee voted to report S. 3 to the full committee.
- Feb. 10, 1965 House committee voted to report (but did not actually report) S. 3.
- Feb. 17, 1965 House committee reported S. 3 without amendment. H. Report 51. Print of bill and report.
- Feb. 25, 1965 House Rules Committee reported resolution for consideration of S. 3. H. Res. 249, H. Report 112. Print of resolution and report.
- Mar. 1, 1965 House began debate on S. 3.





INDEX AND SUMMARY OF S. 3, cont'd

Mar. 2, 1965 House continued debate on S. 3.  
Mar. 3, 1965 House passed S. 3 without amendment.  
Mar. 9, 1965 Approved: Public Law 89-4.

**HEARINGS:** Senate Public Works Committee on S. 3,  
January 19 and 21, 1965.

House Public Works Committee on H. R. 4  
and S. 3, February 3, 4, and 5, 1965.





## DIGEST OF PUBLIC LAW 89-4

### APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965.

Authorizes the Secretary of Agriculture to make grants to landowners to assist in the improvement and development of land and erosion control in the region under agreements not to exceed 10 years. Limits such grants to any landowner to 80 percent of the cost of improving and developing 50 acres of land owned by the landowner. Authorizes not to exceed \$17 million for land development and erosion control. Authorizes the Secretary to provide technical assistance in the organization and operation, under State Law, of private timber development organizations having as their objective the carrying out of timber development programs to improve timber productivity and quality. Authorizes the Secretary to provide not more than one-half of the initial capital requirements of timber development organizations through loans by the Farmers Home Administration. Authorizes not to exceed \$5 million for timber development activities.

Authorizes the Secretary of Commerce to assist in the construction of a system of development highways and local access roads to isolated areas in the Appalachian region. Authorizes the Secretary of the Interior to carry out a comprehensive strip mine study of the region by July 1, 1967, and prohibits the use of any funds to restore private coal lands ruined by strip mining, pending completion of the study. Authorizes the Secretary of the Army to prepare a program for the development of the water resources of the region. Authorizes the Secretary of Commerce to allocate funds (up to \$90 million) to the heads of Federal departments and agencies responsible for the administration of Federal grant-in-aid programs for the purpose of increasing the Federal contribution to projects in the Appalachian region above the fixed maximum portion of the cost of such project otherwise authorized by law. Provides for the creation and operation of a joint Federal-State commission (The Appalachian Regional Commission) to plan and coordinate the various special activities involved in the development and improvement of the region.











89<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 4

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1965

Mr. FALLON introduced the following bill; which was referred to the Committee on Public Works

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## A BILL

To provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Appalachian Regional  
4       Development Act of 1965".

5                   FINDINGS AND STATEMENT OF PURPOSE

6       SEC. 2. The Congress hereby finds and declares that the  
7       Appalachian region of the United States, while abundant in  
8       natural resources and rich in potential, lags behind the rest  
9       of the Nation in its economic growth and that its people

1 have not shared properly in the Nation's prosperity. The  
2 region's uneven past development, with its historical reliance  
3 on a few basic industries and a marginal agriculture, has  
4 failed to provide the economic base that is a vital prerequi-  
5 site for vigorous, self-sustaining growth. The State and  
6 local governments and the people of the region understand  
7 their problems and have been working and will continue  
8 to work purposefully toward their solution. The Congress  
9 recognizes the comprehensive report of the President's Appa-  
10 lachian Regional Commission documenting these findings and  
11 concludes that regionwide development is feasible, desirable,  
12 and urgently needed. It is, therefore, the purpose of this  
13 Act to assist the region in meeting its special problems, to  
14 promote its economic development, and to establish a frame-  
15 work for joint Federal and State efforts toward providing the  
16 basic facilities essential to its growth and attacking its com-  
17 mon problems and meeting its common needs on a coordi-  
18 nated and concerted regional basis. The public investments  
19 made in the region under this Act shall be concentrated in  
20 areas where there is the greatest potential for future growth,  
21 and where the expected return on public dollars invested  
22 will be the greatest. The States will be responsible for rec-  
23 ommending local and State projects, within their borders,  
24 which will receive assistance under this Act. As the region  
25 obtains the needed physical and transportation facilities and



1 develops its human resources, the Congress expects that the  
2 region will generate a diversified industry, and that the  
3 region will then be able to support itself, through the work-  
4 ings of a strengthened free enterprise economy.

## 5 TITLE I—THE APPALACHIAN REGIONAL 6 COMMISSION

### 7 MEMBERSHIP AND VOTING

8 SEC. 101. (a) There is hereby established an Appala-  
9 chian Regional Commission (hereinafter referred to as  
10 the "Commission") which shall be composed of one Fed-  
11 eral member, hereinafter referred to as the "Federal Co-  
12 chairman", appointed by the President by and with the  
13 advice and consent of the Senate, and one member from each  
14 participating State in the Appalachian region. The Federal  
15 Cochairman shall be one of the two Cochairmen of the Com-  
16 mission. Each State member may be the Governor, or his  
17 designee, or such other person as may be provided by the  
18 law of the State which he represents. The State members of  
19 the Commission shall elect a Cochairman of the Commission  
20 from among their number.

21 (b) Except as provided in section 105, decisions by the  
22 Commission shall require the affirmative vote of the Federal  
23 Cochairman and of a majority of the State members (exclu-  
24 sive of members representing States delinquent under sec-

tion 105). In matters coming before the Commission, the Federal Cochairman shall, to the extent practicable, consult with the Federal departments and agencies having an interest in the subject matter.

(c) Each State member shall have an alternate, appointed by the Governor or as otherwise may be provided by the law of the State which he represents. The President, by and with the advice and consent of the Senate, shall appoint an alternate for the Federal Cochairman. An alternate shall vote in the event of the absence, death, disability, removal, or resignation of the State or Federal representative for which he is an alternate.

(d) The Federal Cochairman shall be compensated by the Federal Government at level IV of the Federal Executive Salary Schedule of the Federal Executive Salary Act of 1964. His alternate shall be compensated by the Federal Government at not to exceed the maximum scheduled rate for grade GS-18 of the Classification Act of 1949, as amended, and when not actively serving as an alternate for the Federal Cochairman shall perform such functions and duties as are delegated to him by the Federal Cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by the law of such State.



## FUNCTIONS OF THE COMMISSION

SEC. 102. In carrying out the purposes of this Act, the Commission shall—

(1) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

(2) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

(3) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region;

(4) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation;

(5) encourage the formation of local development districts;

1           (6) encourage private investment in industrial,  
2 commercial, and recreational projects;

3           (7) serve as a focal point and coordinating unit for  
4 Appalachian programs;

5           (8) provide a forum for consideration of problems  
6 of the region and proposed solutions and establish and  
7 utilize, as appropriate, citizens and special advisory  
8 councils and public conferences; and

9           (9) advise the Secretary of Commerce on appli-  
10 cations for grants for administrative expenses to local  
11 development districts.

12                               RECOMMENDATIONS

13       SEC. 103. The Commission may, from time to time,  
14 make recommendations to the President and to the State  
15 Governors and appropriate local officials with respect to—

16           (1) the expenditure of funds by Federal, State,  
17 and local departments and agencies in the region in  
18 the fields of natural resources, agriculture, education,  
19 training, health and welfare, and other fields related  
20 to the purposes of this Act; and

21           (2) such additional Federal, State, and local legis-  
22 lation or administrative actions as the Commission  
23 deems necessary to further the purposes of this Act.



LIAISON BETWEEN FEDERAL GOVERNMENT AND THE  
COMMISSION

SEC. 104. The President shall provide effective and continuing liaison between the Federal Government and the Commission and a coordinated review within the Federal Government of the plans and recommendations submitted by the Commission pursuant to sections 102 and 103.

ADMINISTRATIVE EXPENSES OF THE COMMISSION

SEC. 105. (a) For the period ending on June 30 of the second full Federal fiscal year following the date of enactment of this Act, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid equally by the Federal Government and the States in the region. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

(b) Not to exceed \$2,200,000 of the funds authorized

1 in section 401 of this Act shall be available to carry out  
2 this section.

3 ADMINISTRATIVE POWERS OF COMMISSION

4 SEC. 106. To carry out its duties under this Act, the  
5 Commission is authorized to—

6 (1) adopt, amend, and repeal bylaws, rules, and  
7 regulations governing the conduct of its business and  
8 the performance of its functions.

9 (2) appoint and fix the compensation of an execu-  
10 tive director and such other personnel as may be neces-  
11 sary to enable the Commission to carry out its func-  
12 tions, except that such compensation shall not exceed  
13 the salary of the alternate to the Federal Cochair-  
14 man on the Commission as provided in section 101.  
15 No member, alternate, officer, or employee of the Com-  
16 mission, other than the Federal cochairman on the  
17 Commission and his alternate and Federal employees  
18 detailed to the Commission under paragraph (3) shall  
19 be deemed a Federal employee for any purpose.

20 (3) request the head of any Federal department or  
21 agency (who is hereby so authorized) to detail to  
22 temporary duty with the Commission such personnel  
23 within his administrative jurisdiction as the Commission  
24 may need for carrying out its functions, each such detail



1 to be without loss of seniority, pay, or other employee  
2 status.

3 (4) arrange for the services of personnel from any  
4 State or local government or any subdivision or agency  
5 thereof, or any intergovernmental agency.

6 (5) make arrangements, including contracts, with  
7 any participating State government for inclusion in a  
8 suitable retirement and employee benefit system of such  
9 of its personnel as may not be eligible for, or continue in,  
10 another governmental retirement or employee benefit  
11 system, or otherwise provide for such coverage of its  
12 personnel. The Civil Service Commission of the United  
13 States is authorized to contract with the Commission for  
14 continued coverage of Commission employees, who at  
15 date of Commission employment are Federal employees,  
16 in the retirement program and other employee benefit  
17 programs of the Federal Government.

18 (6) accept, use, and dispose of gifts or donations  
19 of services or property, real, personal, or mixed, tangible  
20 or intangible.

21 (7) enter into and perform such contracts, leases,  
22 cooperative agreements, or other transactions as may be  
23 necessary in carrying out its functions and on such

1 terms as it may deem appropriate, with any department,  
2 agency, or instrumentality of the United States or with  
3 any State, or any political subdivision, agency, or in-  
4 strumentality thereof, or with any person, firm, asso-  
5 ciation, or corporation.

6 (8) maintain a temporary office in the District of  
7 Columbia and establish a permanent office at such loca-  
8 tion as it may select and field offices at such other places  
9 as it may deem appropriate.

10 (9) take such other actions and incur such other  
11 expenses as may be necessary or appropriate.

12 INFORMATION

13 SEC. 107. In order to obtain information needed to  
14 carry out its duties, the Commission shall—

15 (1) hold such hearings, sit and act at such times  
16 and places, take such testimony, receive such evidence,  
17 and print or otherwise reproduce and distribute so much  
18 of its proceedings and reports thereon as it may deem  
19 advisable, a Cochairman of the Commission, or any  
20 member of the Commission designated by the Commis-  
21 sion for the purpose, being hereby authorized to admin-  
22 ister oaths when it is determined by the Commission  
23 that testimony shall be taken or evidence received under  
24 oath;

25 (2) arrange for the head of any Federal, State, or



1 local department or agency (who is hereby so authorized,  
2 to the extent not otherwise prohibited by law) to furnish  
3 to the Commission such information as may be available  
4 to or procurable by such department or agency; and

5 (3) keep accurate and complete records of its doings  
6 and transactions which shall be made available for public  
7 inspection.

8 PERSONAL FINANCIAL INTERESTS

9 SEC. 108. (a) Except as permitted by subsection (b)  
10 hereof, no State member or alternate and no officer or em-  
11 ployee of the Commission shall participate personally and  
12 substantially as member, alternate, officer, or employee,  
13 through decision, approval, disapproval, recommendation,  
14 the rendering of advice, investigation, or otherwise, in any  
15 proceeding, application, request for a ruling or other determi-  
16 nation, contract, claim, controversy, or other particular  
17 matter in which, to his knowledge, he, his spouse, minor  
18 child, partner, organization (other than a State or political  
19 subdivision thereof) in which he is serving as officer, director,  
20 trustee, partner, or employee, or any person or organization  
21 with whom he is serving as officer, director, trustee, partner,  
22 or employee, or any person or organization with whom he  
23 is negotiating or has any arrangement concerning prospective  
24 employment, has a financial interest. Any person who shall  
25 violate the provisions of this subsection shall be fined not

1 more than \$10,000, or imprisoned not more than two years,  
2 or both.

3 (b) Subsection (a) hereof shall not apply if the State  
4 member, alternate, officer, or employee first advises the  
5 Commission of the nature and circumstances of the proceed-  
6 ing, application, request for a ruling or other determination,  
7 contract, claim, controversy, or other particular matter and  
8 makes full disclosure of the financial interest and receives  
9 in advance a written determination made by the Commis-  
10 sion that the interest is not so substantial as to be deemed  
11 likely to affect the integrity of the services which the Com-  
12 mission may expect from such State member, alternate,  
13 officer, or employee.

14 (c) No State member or alternate shall receive any  
15 salary, or any contribution to or supplementation of salary  
16 for his services on the Commission from any source other  
17 than his State. No person detailed to serve the Commission  
18 under authority of paragraph (4) of section 106 shall  
19 receive any salary or any contribution to or supplementation  
20 of salary for his services on the Commission from any source  
21 other than the State, local, or intergovernmental department  
22 or agency from which he was detailed or from the Commis-  
23 sion. Any person who shall violate the provisions of this  
24 subsection shall be fined not more than \$5,000, or impris-  
25 oned not more than one year, or both.



1 (d) Notwithstanding any other subsection of this sec-  
2 tion, the Federal Cochairman and his alternate on the Com-  
3 mission and any Federal officers or employees detailed to  
4 duty with it pursuant to paragraph (3) of section 106 shall  
5 not be subject to any such subsection but shall remain sub-  
6 ject to sections 202 through 209 of title 18, United States  
7 Code.

8 (e) The Commission may, in its discretion, declare void  
9 and rescind any contract, loan, or grant of or by the Com-  
10 mission in relation to which it finds that there has been a  
11 violation of subsection (a) or (c) of this section, or any of  
12 the provisions of sections 202 through 209, title 18, United  
13 States Code.

## 14 TITLE II—SPECIAL APPALACHIAN PROGRAMS

### 15 PART A—NEW PROGRAMS

#### 16 APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

17 SEC. 201. (a) The Secretary of Commerce (hereafter  
18 in this section referred to as the “Secretary”) is authorized  
19 to assist in the construction of an Appalachian development  
20 highway system serving the Appalachian region (not to  
21 exceed a total of three thousand three hundred and fifty miles  
22 in length of which total not to exceed one thousand miles  
23 shall be local access roads that will serve specific recreational,  
24 residential, commercial, industrial, or other like facilities or  
25 will facilitate a school consolidation program). The system,

1 in conjunction with the Interstate System and other Federal-  
2 aid highways in the region will provide a highway system  
3 which will open up an area or areas with a developmental  
4 potential where commerce and communication have been  
5 inhibited by lack of adequate access. The provisions of title  
6 23, United States Code, that are applicable to Federal-aid  
7 primary highways, and which the Secretary determines are  
8 not inconsistent with this Act, shall apply to the Appalachian  
9 development highway system.

10 (b) As soon as feasible, the Commission shall submit  
11 to the Secretary its recommendations with respect to (1) the  
12 general corridor location and termini of the development  
13 highways, (2) the designation of local access roads to be con-  
14 structed, (3) priorities for construction of the local access  
15 roads and of the major segments of the development high-  
16 ways, and (4) other criteria for the program authorized by  
17 this section. Before any State member participates in or  
18 votes on such recommendations, he shall have obtained the  
19 recommendations of the State highway department of the  
20 State which he represents.

21 (c) The Secretary shall have authority to approve in  
22 whole or in part such recommendations or to require modifi-  
23 cations or revisions thereof. In no event shall the Secre-  
24 tary approve any recommendations for any construction  
25 which would require for its completion the expenditure of



1 Federal funds (other than funds available under title 23,  
2 United States Code) in excess of the appropriation authori-  
3 zations in subsection (g). On its completion each develop-  
4 ment highway not already on the Federal-aid primary sys-  
5 tem shall be added to such system and shall be required to  
6 be maintained by the State.

7 (d) In the construction of highways and roads author-  
8 ized under this section, the States may give special prefer-  
9 ence to the use of mineral resource materials indigenous to  
10 the Appalachian region.

11 (e) For the purposes of research and development in  
12 the use of coal and coal products in highway construction  
13 and maintenance, the Secretary is authorized to require each  
14 participating State, to the maximum extent possible, to use  
15 coal derivatives in the construction of not to exceed 10 per  
16 centum of the roads authorized under this Act.

17 (f) Federal assistance to any construction project under  
18 this section shall not exceed 50 per centum of the costs of  
19 such project, unless the Secretary determines, pursuant to  
20 the recommendation of the Commission, that assistance in  
21 excess of such percentage is required in furtherance of the  
22 purposes of this Act, but in no event shall such Federal  
23 assistance exceed 70 per centum of such costs.

24 (g) To carry out this section, there is hereby authorized  
25 to be appropriated \$840,000,000.

## DEMONSTRATION HEALTH FACILITIES

SEC. 202. (a) In order to demonstrate the value of adequate health and medical facilities to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction, equipment, and operation of multicounty demonstration health facilities, including hospitals, regional health diagnostic and treatment centers, and other facilities necessary to health. Grants for such construction (including initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291-291z) and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), without regard to any provisions therein relating to appropriation authorization ceiling or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) No grant under this section for construction (including initial equipment) shall exceed 80 per centum of the cost of the project. Not to exceed \$41,000,000 of the funds authorized in section 401 shall be available for construction grants under this section.



1 (c) Grants under this section for operation (including  
2 equipment other than initial equipment) of a project may  
3 be made up to 100 per centum of the costs thereof for the  
4 two-year period beginning on the first day such project is  
5 in operation as a health facility. For the next three years  
6 of operations such grants shall not exceed 50 per centum  
7 of such costs. No grants for operation of a project shall be  
8 made after five years following the commencement of such  
9 operations. Not to exceed \$28,000,000 of the funds author-  
10 ized in section 401 of this Act shall be available for operating  
11 grants under this section.

12 LAND IMPROVEMENT AND EROSION CONTROL

13 SEC. 203. (a) In order to promote the conservation  
14 and fuller utilization of the region's important land and water  
15 resources, the Secretary of Agriculture is authorized to make  
16 grants to landowners to assist in the improvement and de-  
17 velopment of land for pasture and erosion control in the  
18 region. Grants to any landowner under this section shall not  
19 exceed 80 per centum of the cost of improving and develop-  
20 ing twenty-five acres of land owned by such landowner.  
21 Such improvement and development of land shall be carried  
22 out under the provisions of an agreement to be entered  
23 into by the landowner and the Secretary of Agriculture, for  
24 such period not to exceed ten years as the Secretary may

1 determine, which shall include such terms and conditions  
2 as the Secretary may deem necessary to effectuate the pur-  
3 poses of this section and to assure that such improvement  
4 and development of land will be properly established, and  
5 adequately maintained during the period of agreement, in  
6 accordance with technically sound standards and procedures.

7 (b) In carrying out the provisions of this section, the  
8 Secretary of Agriculture shall utilize the services of the Soil  
9 Conservation Service, and the State and local committees  
10 provided for in section 8 (b) of the Soil Conservation and  
11 Domestic Allotment Act (16 U.S.C. 590 (b) ), and is  
12 authorized to utilize the facilities, services, and authorities of  
13 the Commodity Credit Corporation. The Corporation shall  
14 not make any expenditures to carry out the provisions of  
15 this subsection unless funds specifically appropriated for such  
16 purpose have been transferred to it.

17 (c) Not to exceed \$17,000,000 of the funds authorized  
18 in section 401 of this Act shall be available to carry out this  
19 section.

20 TIMBER DEVELOPMENT ORGANIZATIONS

21 SEC. 204. (a) In order that the region shall more fully  
22 benefit from the timber stands that are one of its prime  
23 assets, the Secretary of Agriculture is authorized to—

24 (1) provide technical assistance in the organization  
25 and operation, under State law, of private timber de-



1       velopment organizations having as their objective the  
2       carrying out of timber development programs to im-  
3       prove timber productivity, and quality, and increase  
4       returns to landowners through establishment of private  
5       nonprofit corporations, which on a self-supporting basis,  
6       may provide (A) continuity of management, good  
7       cutting practices, and marketing services, (B) physical  
8       consolidation of small holdings or administrative con-  
9       solidation for efficient management under long-term  
10      agreement, (C) management of forest lands, donated  
11      to the timber development organizations for demonstrat-  
12      ing good forest management, on a profitable and tax-  
13      paying basis, and (D) establishment of a permanent  
14      fund for perpetuation of the work of the corporations  
15      to be composed of donations, real or personal, for edu-  
16      cational purposes.

17           (2) provide not more than one-half of the initial  
18      capital requirements of such timber development orga-  
19      nizations through loans under the applicable provisions  
20      of the Consolidated Farmers Home Administration Act  
21      of 1961 (7 U.S.C. 1926 et seq.). Such loans shall not  
22      be used for the construction or acquisition of facilities for  
23      manufacturing, processing or marketing forest products.

24      (b) Not to exceed \$5,000,000 of the funds authorized

1 in section 401 of this Act shall be available to carry out this  
2 section.

3 MINING AREA RESTORATION

4 SEC. 205. (a) In order to further the economic devel-  
5 opment of the region by rehabilitating areas presently dam-  
6 aged by deleterious mining practices, the Secretary of the  
7 Interior is authorized to—

8 (1) make financial contributions to States in the  
9 region to seal and fill voids in abandoned coal mines in  
10 accordance with the provisions of the Act of July 15,  
11 1955 (30 U.S.C. 571 et seq.), without regard to section  
12 2 (b) thereof (30 U.S.C. 572 (b) ) or to any provisions  
13 therein limiting assistance to anthracite coal formations,  
14 or to the Commonwealth of Pennsylvania. Grants under  
15 this paragraph shall be made solely out of funds specifi-  
16 cally appropriated for the purpose of carrying out this  
17 Act.

18 (2) plan and execute projects for extinguishing  
19 underground and outcrop mine fires in the region in  
20 accordance with the provisions of the Act of August 31,  
21 1954 (30 U.S.C. 551 et seq.), without regard to any  
22 provisions therein relating to annual appropriation au-  
23 thorization ceilings. Grants under this paragraph shall  
24 be made solely out of funds specifically appropriated  
25 for the purpose of carrying out this Act.



(3) expand and accelerate fish and wildlife restoration projects in the region in accordance with the provisions of the Act of September 2, 1937 (16 U.S.C. 669 et seq.), and the Act of August 9, 1950 (16 U.S.C. 777 et seq.), without regard to any provisions therein relating to apportionments among the States and to limitations on the availability of funds. The expenses of projects under this paragraph shall be paid solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the apportionments among the States pursuant to any other provisions of law.

(b) For the fiscal years 1966 and 1967, notwithstanding any other provision of law, the Federal share of mining area restoration projects carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. Strip mine restoration projects shall be carried out only on lands, public or private, on which there is provided access and use by the public to assure an adequate public benefit.

(c) The Congress hereby declares its intent to provide for a study of a comprehensive, long-range program for the purpose of reclaiming and rehabilitating strip and surface mining areas in the United States. To this general end,

1 the Secretary of the Interior shall, in full cooperation with  
2 the Secretary of Agriculture, the Tennessee Valley Authority,  
3 and other appropriate Federal, State, and local departments  
4 and agencies, and with the Commission, make a survey and  
5 study of strip and surface mining operations and their effects  
6 in the United States. The Secretary of the Interior shall  
7 submit to the President his recommendations for a long-range  
8 comprehensive program for reclamation and rehabilitation of  
9 strip and surface mining areas in the United States and for  
10 the policies under which the program should be conducted,  
11 and the President shall submit these to the Congress, together  
12 with his recommendations, not later than July 1, 1967. By  
13 July 1, 1966, the Secretary shall make an interim report to  
14 the Commission summarizing his findings to that date on those  
15 aspects of strip and surface mining operations in the region  
16 that are most urgently in need of attention. Such study and  
17 recommendations shall include, but not be limited to, a con-  
18 sideration of the following matters—

19 (1) the nature and extent of strip and surface min-  
20 ing operations in the United States and the conditions  
21 resulting therefrom;

22 (2) the ownership of the real property involved in  
23 strip and surface mining operations;

24 (3) the effectiveness of past action by States or  
25 local units of government to remedy the adverse effects



1 of strip and surface mining operation by financial or  
2 regulatory measures, and requirements for appropriate  
3 State legislation, including adequate enforcement thereof,  
4 to provide for proper reclamation and rehabilitation of  
5 areas which may be strip and surface mined in the  
6 future;

7 (4) the public interest in and public benefits which  
8 may result from reclamation, rehabilitation, and appro-  
9 priate development and use of areas subjected to strip  
10 and surface mining operations, including (A) economic  
11 development growth, (B) public recreation, (C) public  
12 health and safety, (D) water pollution, stream sedi-  
13 mentation, erosion control, and flood control, (E) high-  
14 way programs, (F) fish and wildlife protection and  
15 restoration, (G) scenic values, and (H) forestry and  
16 agriculture;

17 (5) the appropriate roles of Federal, State, and  
18 private interests in the reclamation and rehabilitation  
19 of strip and surface mining areas and the relative costs  
20 to be borne by each, including specific consideration of  
21 (A) the extent, if any, to which strip and surface mine  
22 operators are unable to bear the cost of remedial action  
23 within the limits imposed by the economics of such  
24 mining activity, and (B) the extent to which the pro-  
25 spective value of lands and other natural resources, after

1 remedial work has been completed, would be inadequate  
2 to justify the landowners doing the remedial work at  
3 their expense; and

4 (6) the objectives and the total overall costs of a  
5 program for accomplishing the reclamation and reha-  
6 bilitation of existing strip and surface mining areas in  
7 the United States, giving adequate consideration to (A)  
8 the economic benefits in relation to costs, (B) the pre-  
9 vention of future devastation of reclaimed and rehabili-  
10 tated areas, (C) the avoidance of unwarranted financial  
11 gain to private owners of improved property, and (D)  
12 the types of aid required to accomplish such reclamation  
13 and rehabilitation.

14 (d) Not to exceed \$21,500,000 of the funds author-  
15 ized in section 401 of this Act shall be available to carry out  
16 this section.

17 WATER RESOURCE SURVEY

18 SEC. 206. (a) The Secretary of the Army is hereby  
19 authorized and directed to prepare a comprehensive plan for  
20 the development and efficient utilization of the water and re-  
21 lated resources of the Appalachian region, giving special at-  
22 tention to the need for an increase in the production of eco-  
23 nomic goods and services within the region as a means of  
24 expanding economic opportunities and thus enhancing the



1 welfare of its people, which plan shall constitute an integral  
2 and harmonious component of the regional economic develop-  
3 ment program authorized by this Act.

4 (b) This plan may recommend measures for the con-  
5 trol of floods, the regulation of the rivers to enhance their  
6 value as sources of water supply for industrial and munici-  
7 pal development, the generation of hydroelectric power, the  
8 prevention of water pollution by drainage from mines, the  
9 development and enhancement of the recreational potentials  
10 of the region, the improvement of the rivers for navigation  
11 where this would further industrial development at less cost  
12 than would the improvement of other modes of transporta-  
13 tion, the conservation and efficient utilization of the land re-  
14 source, and such other measures as may be found necessary  
15 to achieve the objectives of this section.

16 (c) To insure that the plan prepared by the Secretary  
17 of the Army shall constitute a harmonious component of  
18 the regional program, he shall consult with the Commission  
19 and the following: the Secretary of Agriculture, the Secre-  
20 tary of Commerce, the Secretary of Health, Education, and  
21 Welfare, the Secretary of the Interior, the Tennessee Valley  
22 Authority, and the Federal Power Commission.

23 (d) The plan prepared pursuant to this section shall  
24 be submitted to the Commission. The Commission shall sub-

1 mit the plan to the President with a statement of its views,  
2 and the President shall submit the plan to the Congress with  
3 his recommendations not later than December 31, 1968.

4 (e) The Federal agencies referred to in subsection (c)  
5 of this section are hereby authorized to assist the Secretary  
6 of the Army in the preparation of the plan authorized by this  
7 section, and the Secretary of the Army is authorized to enter  
8 into and perform such contracts, leases, cooperative agree-  
9 ments, or other transactions as may be necessary to the  
10 preparation of this plan and on such terms as he may deem  
11 appropriate, with any department, agency, or instrumen-  
12 tality of the United States or with any State, or any political  
13 subdivision, agency, or instrumentality thereof, or with any  
14 person, firm, association, or corporation.

15 (f) The plan to be prepared by the Secretary of the  
16 Army pursuant to this section shall also be coordinated with  
17 all comprehensive river basin plans heretofore or hereafter  
18 developed by United States study commissions, interagency  
19 committees, or similar planning bodies, for those river sys-  
20 tems draining the Appalachian region.

21 (g) Not to exceed \$5,000,000 of the funds authorized  
22 in section 401 of this Act shall be available to carry out  
23 this section.



1 PART B—SUPPLEMENTATIONS AND MODIFICATIONS OF  
2 EXISTING PROGRAMS  
3 VOCATIONAL EDUCATION FACILITIES

4 SEC. 211. (a) In order to provide basic facilities to give  
5 the people of the region the training and education they  
6 need to obtain employment, the Secretary of Health, Edu-  
7 cation, and Welfare is authorized to make grants for con-  
8 struction of the school facilities needed for the provision  
9 of vocational education in areas of the region in which such  
10 education is not now adequately available. Such grants  
11 shall be made in accordance with the provisions of the Voca-  
12 tional Education Act of 1963 (77 Stat. 403), without re-  
13 gard to any provisions therein relating to appropriation  
14 authorization ceilings or to allotments among the States.  
15 Grants under this section shall be made solely out of funds  
16 specifically appropriated for the purpose of carrying out  
17 this Act, and shall not be taken into account in the com-  
18 putation of the allotments among the States made pursuant  
19 to any other provision of law.

20 (b) Not to exceed \$16,000,000 of the funds authorized  
21 in section 401 of this Act shall be available to carry out  
22 this section.

## 1                                   SEWAGE TREATMENT WORKS

2           SEC. 212. (a) In order to provide facilities to assist in  
3 the prevention of pollution of the region's streams and to  
4 protect the health and welfare of its citizens, the Secretary  
5 of Health, Education, and Welfare is authorized to make  
6 grants for the construction of sewage treatment works in  
7 accordance with the provisions of the Federal Water Pollu-  
8 tion Control Act (33 U.S.C. 466 et seq.), without regard  
9 to any provisions therein relating to appropriation author-  
10 ization ceilings or to allotments among the States. Grants  
11 under this section shall be made solely out of funds specifi-  
12 cally appropriated for the purpose of carrying out this Act,  
13 and shall not be taken into account in the computation of  
14 the allotments among the States pursuant to any other pro-  
15 vision of law.

16           (b) Not to exceed \$6,000,000 of the funds authorized  
17 in section 401 of this Act shall be available to carry out this  
18 section.

## 19                                   AMENDMENTS TO HOUSING ACT OF 1954

20           SEC. 213. (a) Section 701 (a) of the Housing Act of  
21 1954 (40 U.S.C. 461 (a) ) is amended by striking the word  
22 "and" at the end of paragraph (7), by substituting for the  
23 period at the end of paragraph (8) the phrase "; and", and  
24 by adding a new paragraph (9) to read as follows:

25           “(9) the Appalachian Regional Commission, es-



1        tablished by the Appalachian Regional Development  
2        Act of 1965, for comprehensive planning for the Ap-  
3        palachian region as defined by section 403 of such Act.”

4        (b) Section 701 (b) of the Housing Act of 1954 (40  
5        U.S.C. 461 (b) ), is amended by adding before the period  
6        at the end of the first sentence the following: “, or to the  
7        Appalachian Regional Commission”.

8        SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

9        SEC. 214. (a) In order to enable the people, States, and  
10       local communities of the region, including local development  
11       districts, to take maximum advantage of Federal grant-in-  
12       aid programs (as hereinafter defined) for which they are  
13       eligible but for which, because of their economic situation,  
14       they cannot supply the required matching share, the Secretary  
15       of Commerce is authorized, pursuant to specific recommenda-  
16       tions of the Commission approved by him and after consulta-  
17       tion with the appropriate Federal officials, to allocate funds  
18       appropriated to carry out this section to the heads of the  
19       departments, agencies, and instrumentalities of the Federal  
20       Government responsible for the administration of such Fed-  
21       eral grant-in-aid programs. Funds so allocated shall be used  
22       for the sole purpose of increasing the Federal contribution  
23       to projects under such programs above the fixed maximum  
24       portion of the cost of such project otherwise authorized by  
25       the applicable law. Funds shall be so allocated for Federal

1 grant-in-aid programs for which funds are available under  
2 the Act authorizing such programs. Such allocations shall  
3 be available without regard to any appropriation authoriza-  
4 tion ceilings in such Act.

5 (b) The Federal portion of such costs shall not be in-  
6 creased in excess of the percentages established by regula-  
7 tions promulgated by the Secretary of Commerce, and such  
8 regulations shall in no event authorize the Federal portion  
9 of such costs to exceed 80 per centum thereof.

10 (c) The term "Federal grant-in-aid programs" as used  
11 in this section means those Federal grant-in-aid programs  
12 authorized by this Act for the construction or equipment of  
13 facilities, and all other Federal grant-in-aid programs author-  
14 ized on or before the effective date of this Act by Acts other  
15 than this Act for the acquisition of land and the construc-  
16 tion or equipment of facilities, including but not limited to  
17 grant-in-aid programs authorized by the following Acts:  
18 Federal Water Pollution Control Act; Watershed Protection  
19 and Flood Prevention Act; title VI of the Public Health  
20 Service Act; Vocational Education Act of 1963; Library  
21 Services Act; Federal Airport Act; part IV of title III of  
22 the Communications Act of 1934; Higher Education Facil-  
23 ities Act of 1963; Land and Water Conservation Fund Act  
24 of 1965. The term shall not include (A) the program  
25 for the construction of the development highway system



1 authorized by section 201 of this Act or any other program  
2 relating to highway or road construction, or (B) any other  
3 program for which loans or other Federal financial assist-  
4 ance, except a grant-in-aid program, is authorized by this  
5 or any other Act.

6 (d) Not to exceed \$90,000,000 of the funds authorized  
7 in section 401 of this Act shall be available to carry out this  
8 section.

## 9 PART C—GENERAL PROVISIONS

### 10 MAINTENANCE OF EFFORT

11 SEC. 221. No State and no political subdivision of such  
12 State shall be eligible to receive benefits under this Act un-  
13 less the aggregate expenditures of State funds, exclusive of  
14 Federal funds, for the benefit of the area within the State  
15 located in the region are maintained at a level which does not  
16 fall below the average level of such expenditures for its last  
17 two full fiscal years preceding the date of enactment of this  
18 Act. In computing the average level of expenditure for its  
19 last two fiscal years, a State's past expenditure for partici-  
20 pation in the National System of Interstate and Defense  
21 Highways shall not be included. The Commission shall  
22 recommend to the President or such Federal officer or officers  
23 as the President may designate, a lesser requirement when  
24 it finds that a substantial population decrease in that portion  
25 of a State which lies within the region would not justify a

1 State expenditure equal to the average level of the last two  
2 years or when it finds that a State's average level of expendi-  
3 ture, within an individual program, has been disproportionate  
4 to the present need for that portion of the State which lies  
5 within the region.

6 CONSENT OF STATES

7 SEC. 222. Nothing contained in this Act shall be inter-  
8 preted as requiring any State to engage in or accept any  
9 program under this Act without its consent.

10 PROGRAM IMPLEMENTATION

11 SEC. 223. A program authorized under any section of  
12 this title shall not be implemented until (1) the Commission  
13 has consulted with the appropriate official or officials con-  
14 cerned with such program as may be designated by the  
15 Governor or Governors of the State or States involved and  
16 has obtained the recommendations of such official or officials  
17 with respect to such program and (2) plans with respect  
18 to such program have been recommended by the Commission  
19 and have been submitted to and approved or modified by the  
20 President or such Federal officer or officers as the President  
21 may designate.

22 PROGRAM DEVELOPMENT CRITERIA

23 SEC. 224. (a) In developing recommendations on the  
24 programs and projects to be given assistance under this Act,  
25 and in establishing within those recommendations a priority



1 ranking of the requests for assistance presented to the Com-  
2 mission, the Commission shall follow procedures that will  
3 insure consideration of the following factors:

4 (1) the relationship of the project or class of proj-  
5 ects to overall regional development including its loca-  
6 tion in an area determined by the State to have the  
7 greatest potential for growth;

8 (2) the population and area to be served by the  
9 project or class of projects including the relative per  
10 capita income and the unemployment rates in the area;

11 (3) the relative financial resources available to the  
12 State or political subdivisions or instrumentalities thereof  
13 which seek to undertake the project;

14 (4) the importance of the project or class of proj-  
15 ects in relation to other projects or classes of projects  
16 which may be in competition for the same funds;

17 (5) the prospects that the project for which assist-  
18 ance is sought will improve, on a continuing rather than  
19 a temporary basis, the opportunities for employment,  
20 the average level of income, or the economic and social  
21 development of the area served by the project.

22 (b) Nothing in this Act shall authorize any assistance  
23 under this Act to be used (1) in relocating establishments  
24 from one area to another; (2) to finance the cost of industrial  
25 plants, commercial facilities, machinery, working capital;

1 (3) to finance the cost of facilities for the generation, trans-  
2 mission, or distribution of electric energy; or (4) to finance  
3 the cost of facilities for the production, transmission, or dis-  
4 tribution of gas (natural, manufactured, or mixed).

### 5 TITLE III—ADMINISTRATION

#### 6 LOCAL DEVELOPMENT DISTRICTS—CERTIFICATION

7 SEC. 301. For the purposes of this Act, a “local develop-  
8 ment district” shall be an entity certified to the Commission  
9 either by the Governor of the State or States in which such  
10 entity is located, or by the State officer designated by the  
11 appropriate State law to make such certification, as having  
12 a charter or authority that includes the economic develop-  
13 ment of counties or parts of counties or other political sub-  
14 divisions within the region. No entity shall be certified as  
15 a local development district for the purposes of this Act  
16 unless it is one of the following:

17 (1) a nonprofit incorporated body organized or  
18 chartered under the law of the State in which it is  
19 located;

20 (2) a nonprofit agency or instrumentality of a State  
21 or local government;

22 (3) a nonprofit agency or instrumentality created  
23 through an interstate compact; or

24 (4) a nonprofit association or combination of such  
25 bodies, agencies, and instrumentalities.



1 GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DE-  
2 VELOPMENT DISTRICTS AND FOR RESEARCH AND  
3 DEMONSTRATION PROJECTS

4 SEC. 302. (a) The Secretary of Commerce is author-  
5 ized—

6 (1) either directly or through arrangements with  
7 the Commission, to make grants for administrative ex-  
8 penses to local development districts. The amount of  
9 any such grant shall not exceed 75 per centum of such  
10 expenses in any one fiscal year. No grants for adminis-  
11 trative expenses shall be made to a local development  
12 district for a period in excess of three years beginning on  
13 the date the initial grant is made to such development  
14 district. The local contributions for administrative ex-  
15 penses may be in cash or in kind, fairly evaluated, in-  
16 cluding but not limited to space, equipment, and serv-  
17 ices; and

18 (2) either directly or through arrangements with  
19 appropriate public or private organizations (including  
20 the Commission), to provide funds for investigation,  
21 research, studies, and demonstration projects, but not  
22 for construction purposes, which will further the pur-  
23 poses of this Act.

24 (b) Not to exceed \$5,500,000 of the funds authorized

1 in section 401 of this Act shall be available to carry out  
2 this section.

3 PROJECT APPROVAL

4 SEC. 303. An application for a grant or for any other  
5 assistance for a program or project under this Act shall be  
6 made only by a State, a political subdivision of a State, or  
7 a local development district. Each such application shall be  
8 made through the State member of the Commission repre-  
9 senting such applicant, and such State member shall evaluate  
10 such application for approval. Only applications for pro-  
11 grams and projects which are approved by a State member as  
12 meeting the requirements for assistance under the Act shall  
13 be approved for assistance by the Commission.

14 ANNUAL REPORT

15 SEC. 304. Not later than six months after the close of  
16 each fiscal year, the Commission shall prepare and submit  
17 to the Governor of each State in the region and to the Presi-  
18 dent, for transmittal to the Congress, a report on the activi-  
19 ties carried out under this Act during such year.

20 TITLE IV—APPROPRIATIONS AND

21 MISCELLANEOUS PROVISIONS

22 AUTHORIZATION OF APPROPRIATIONS

23 SEC. 401. In addition to the appropriations authorized  
24 in section 201 for the Appalachian development highway  
25 system, there is hereby authorized to be appropriated for



1 the period ending June 30, 1967, to be available until  
2 expended, not to exceed \$237,200,000 to carry out this  
3 Act.

#### 4 APPLICABLE LABOR STANDARDS

5 SEC. 402. All laborers and mechanics employed by con-  
6 tractors or subcontractors in the construction, alteration, or  
7 repair, including painting and decorating, of projects, build-  
8 ings, and works which are financially assisted through the  
9 Federal funds authorized under this Act, shall be paid wages  
10 at rates not less than those prevailing on similar construc-  
11 tion in the locality as determined by the Secretary of Labor  
12 in accordance with the Davis-Bacon Act, as amended (40  
13 U.S.C. 276a—276a-5). The Secretary of Labor shall have  
14 with respect to such labor standards, the authority and func-  
15 tions set forth in Reorganization Plan Numbered 14 of  
16 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133—  
17 133z-15), and section 2 of the Act of June 13, 1934, as  
18 amended (48 Stat. 948, as amended; 40 U.S.C. 276 (c)).

#### 19 DEFINITION OF APPALACHIAN REGION

20 SEC. 403. As used in this Act, the term “Appalachian  
21 region” or “the region” means that area of the eastern  
22 United States consisting of the following counties (including  
23 any political subdivision located within such area):

24 In Alabama, the counties of Bibb, Blount, Calhoun,  
25 Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert,

1 Coosa, Cullman, De Kalb, Elmore, Etowah, Fayette,  
 2 Franklin, Jackson, Jefferson, Lawrence, Limestone,  
 3 Madison, Marion, Marshall, Morgan, Randolph, Saint  
 4 Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa,  
 5 Walker, and Winston;

6 In Georgia, the counties of Banks, Barrow, Bartow,  
 7 Carroll, Catoosa, Chattooga, Cherokee, Dade, Dawson,  
 8 Douglas, Fannin, Floyd, Forsyth, Franklin, Gilmer,  
 9 Gordon, Gwinnett, Habersham, Hall, Haralson, Heard,  
 10 Jackson, Lumpkin, Madison, Murray, Paulding, Pick-  
 11 ens, Polk, Rabun, Stephens, Towns, Union, Walker,  
 12 White, and Whitfield;

13 In Kentucky, the counties of Adair, Bath, Bell,  
 14 Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton,  
 15 Cumberland, Elliott, Estill, Fleming, Floyd, Garrard,  
 16 Green, Greenup, Harlan, Jackson, Johnson, Knott,  
 17 Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis,  
 18 Lincoln, McCreary, Madison, Magoffin, Martin, Menifee,  
 19 Monroe, Montgomery, Morgan, Owsley, Perry, Pike,  
 20 Powell, Pulaski, Rockcastle, Rowan, Russell, Wayne,  
 21 Whitley, and Wolfe;

22 In Maryland, the counties of Allegany, Garrett, and  
 23 Washington;

24 In North Carolina, the counties of Alexander, Alle-  
 25 ghany, Ashe, Avery, Buncombe, Burke, Caldwell,



1 Cherokee, Clay, Davie, Forsyth, Graham, Haywood,  
 2 Henderson, Jackson, McDowell, Macon, Madison,  
 3 Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Tran-  
 4 sylvania, Watauga, Wilkes, Yadkin, and Yancey;

5 In Ohio, the counties of Adams, Athens, Belmont,  
 6 Brown, Clermont, Gallia, Guernsey, Harrison, High-  
 7 land, Hocking, Jackson, Jefferson, Lawrence, Meigs,  
 8 Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross,  
 9 Scioto, Vinton, and Washington;

10 In Pennsylvania, the counties of Allegheny, Arm-  
 11 strong, Beaver, Bedford, Blair, Bradford, Butler,  
 12 Cambria, Cameron, Carbon, Centre, Clarion, Clear-  
 13 field, Clinton, Columbia, Crawford, Elk, Erie, Fayette,  
 14 Forest, Fulton, Greene, Huntingdon, Indiana, Jefferson,  
 15 Juniata, Lackawanna, Lawrence, Luzerne, Lycoming,  
 16 McKean, Mercer, Mifflin, Monroe, Montour, North-  
 17 umberland, Perry, Pike, Potter, Schuylkill, Snyder,  
 18 Somerset, Sullivan, Susquehanna, Tioga, Union,  
 19 Venango, Warren, Washington, Wayne, Westmoreland,  
 20 and Wyoming;

21 In South Carolina, the counties of Anderson, Chero-  
 22 kee, Greenville, Oconee, Pickens, and Spartanburg;

23 In Tennessee, the counties of Anderson, Bledsoe,  
 24 Blount, Bradley, Campbell, Carter, Claiborne, Clay,  
 25 Cocke, Coffee, Cumberland, De Kalb, Fentress,

1 Franklin, Grainger, Greene, Grundy, Hamblen,  
 2 Hamilton, Hancock, Hawkins, Jackson, Jefferson,  
 3 Johnson, Knox, Loudon, McMinn, Macon, Marion,  
 4 Meigs, Monroe, Morgan, Overton, Pickett, Polk, Put-  
 5 nam, Rhea, Roane, Scott, Sequatchie, Sevier, Smith,  
 6 Sullivan, Unicoi, Union, Van Buren, Warren, Wash-  
 7 ington, and White;

8 In Virginia, the counties of Alleghany, Bath, Bland,  
 9 Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd,  
 10 Giles, Grayson, Highland, Lee, Pulaski, Russell, Scott,  
 11 Smyth, Tazewell, Washington, Wise, and Wythe.

12 All the counties of West Virginia.

### 13 SEVERABILITY

14 SEC. 404. If any provision of this Act, or the applica-  
 15 bility thereof to any person or circumstance, is held invalid,  
 16 the remainder of this Act, and the application of such  
 17 provision to other persons or circumstances, shall not be  
 18 affected thereby.

### 19 TERMINATION

20 SEC. 405. This Act shall cease to be in effect on July 1,  
 21 1971.











89TH CONGRESS  
1ST SESSION

# H. R. 4

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## A BILL

To provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

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By Mr. FALON

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JANUARY 4, 1965

Referred to the Committee on Public Works



much of this program as possible within a strong Cabinet department.

There is no longer any excuse for hiding our heads in the sands of indifference and inertia. Education is a major function of this Government and we shall serve our country well only if we properly recognize education in our Federal structure as we have recognized its function in expenditures through our Federal laws and programs enacted by the Congress.

In my personal experience with the programs of the Department of Health, Education, and Welfare through my chairmanship of the Appropriations Committee as it concerns the Department, I have had a special opportunity to see how education functions over the years have been restrained and distorted by an artificial structure that lacks relevancy to the function of education today. The Office of Education is now in a department that prosecutes violators of pure food and drug laws and processes claims for social insurance while another agency of Government, namely, the National Science Foundation, is mounting a major educational program of curriculum research in the schools in science and mathematics, an undertaking which closely parallels the Office's own program for English and the social studies.

The Office of Education, moreover, shares budget ceiling with the Public Health Service and its vast array of hospital and medical services within the Department of Health, Education, and Welfare, while the Housing and Home Finance Agency conducts a construction program for college dormitories which closely parallels the Office's own construction program for academic facilities in the same colleges.

It is time to call a halt to these wasteful organizational conflicts and absurdities and to establish a department structure that will permit recognition of education functions for what they are. We have passed the stage where the Federal responsibility for education should either alarm or dismay the sensible objectives of the Congress or the Federal Government.

Today we have moved only part way to coordinate the various Federal education programs. To meet this growing complexity, the President late last year issued an Executive order to begin to bring about some consistency through an inter-agency committee chaired by the U.S. Commissioner of Education.

But this remains a partial step. A Department of Education would enable us to go the rest of the way toward bringing education programs together under an effective and unified executive administration, to bring into harmony the diffuse programs of such agencies, for example, as the National Science Foundation and the Smithsonian Institution.

My bill, as my colleagues will recognize, will retain all the protections that now exist against unwanted Federal control in education. By continuing all of the restrictions now legally in effect against Federal supervision of educational programs receiving Federal assistance, by continuing education's control in the States and localities, we can ful-

fill a long-needed opportunity to make our efforts count as they should.

My bill would also establish a National Advisory Committee on Education to advise the Secretary, the President, and the Congress on Federal policies and programs. This Advisory Committee would be broadly representative of the public and would include appropriate representatives of educational agencies and the academic community. Thus, the Congress, the executive branch, and the people at large will have a more effective and direct voice in the framing of national educational policies than they have today.

President Johnson has paid high acclaim to the legislative records of the 88th Congress. The mandate of his magnificent election last fall continues to place education at the forefront in the achievement of a great society. The President will rightly be known through this program as the "Education President" and his administration through the long-delayed and timely creation of a Department of Education as the "Education Administration." Surely this Nation can no longer afford the reckless indulgence of advancing education in law and demeaning it in action. It is now time for us to act to create a Department of Education for the long term advance of our society.

I urge all Members of this body to support my bill. I urge the Committee on Government Operations to initiate hearings at an early date. I think this bill should be enacted at this session of the Congress.

#### THE APPALACHIAN REGIONAL DEVELOPMENT ACT

(Mr. FALLON (at the request of Mr. MATSUNAGA) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FALLON. Mr. Speaker, today I introduced the Appalachian Regional Development Act proposed by President Johnson. In introducing the bill, Congressman FALLON predicted early congressional consideration and approval of the measure. The Congressman said:

This bill represents one of the key objectives of President Johnson's legislative program. The bill calls for the investment of Federal funds in those public facilities which Appalachia must have if it is to restore its economic vitality. With minor changes, the bill is in the same form as that which passed the Senate last year and was awaiting action by the full House itself.

I am confident that both the House and the Senate will give this measure early consideration and approval.

Enclosed are the highlights of the bill which I think will be of interest to the Members:

First. The construction of a development highway system to provide more adequate access to the region. The bill calls for a system of 3,350 miles of development highways of which 1,000 miles are to be local access roads.

Second. A demonstration health program which will provide funds for the construction and operation of health fa-

cilities that will contribute to the economic development of the region.

Third. Land improvement and erosion control measures will be carried out under the program enabling the region to realize greater returns from the land and water which are among its principal assets.

Fourth. Timber development organizations created by local landowners will receive lands and technical assistance in order that better use may be made of the hardwood and other timber which grows over great parts of Appalachia.

Fifth. Areas harmed by past mine operations will be reclaimed, including those now suffering from serious underground mine fires and land subsidence problems. In addition a comprehensive study of strip mining will be undertaken in order to develop the guidelines for a program in this field.

Sixth. The Secretary of the Army will direct a comprehensive water resource study which will provide plans for a more complete and coordinated development of Appalachia's rivers and streams.

Seventh. Additional sums are provided to supplement the Vocational Educational Act of 1963 for vocational school construction and the sewage treatment plant construction program of the Federal Water Pollution Control Act.

Eighth. A supplemental fund of \$90 million is provided to enable the States and communities of Appalachia to take maximum advantage of Federal grant-in-aid programs, which they have not been able to participate in because of their difficult financial position.

Ninth. To coordinate and plan for the execution of the Appalachian development program, the bill provides for the creation of a Federal-State Commission in which both partners have an equal voice. Each State will propose the projects it desires to the Commission and no projects will be carried out in a given State without its consent.

#### THE HONORABLE JAMES C. AUCHINCLOSS

(Mr. FALLON (at the request of Mr. MATSUNAGA) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FALLON. Mr. Speaker, I requested this time in order to pay brief tribute to my dear friend and former colleague from New Jersey, the Honorable James C. Auchincloss. Early in the 2d session of the 88th Congress, he announced that he would not be seeking reelection from the Third Congressional District of New Jersey.

I believe I speak not only my own sentiments, but also the deep feelings of all those who knew Jim Auchincloss, when I compliment him on his record. He was a most industrious, diligent and dedicated public servant through the rigors of 11 sessions of the Congress—a total of 22 years. Indeed, it is difficult to summarize his usefulness in the confines of one spoken tribute. He gave to his country valuable service as ranking Republican on the Public Works Com-



mittee and the District of Columbia Committee of the House of Representatives, also, the House Office Building Commission.

It was on the Public Works Committee that I came to know the value of Jim Auchincloss. At all times he kept his eye on those things which were for the best interests of all the people. A deep understanding of public works problems enriched his usefulness.

He always assumed a modest manner concerning his outstanding record in the Congress. He never boasted. He was always kind. He was always considerate. He always wanted to do what was best. Those on both sides of the aisle loved him and had a deep respect for his capabilities.

Efficiency is not hurry and bustle; it is not noise and excitement. It is organized planned action, with each step marked out in advance. Jim Auchincloss employed a calm, quiet and efficient manner. He always held on to those admirable characteristics. He always proceeded toward a definite goal.

Mr. Speaker, it is an honor to state to this body my deep personal respect for Jim Auchincloss' ability. Through the years I found his friendship to be an inspiration. His actions were always exemplary.

He always held great faith in our kind of government—he had great faith in his own political party—he had great faith in the Congress.

As Jim retires from the Congress of the United States, I wish him many years of continued success and effective service. He will be greatly missed.

#### A UNIQUE AND EFFICIENT OFFICE

(Mr. GONZALEZ (at the request of Mr. MATSUNAGA) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GONZALEZ. Mr. Speaker, one of the good things flowing from the adjournment of the last Congress was the opportunity that it afforded the Members to return to their districts and familiarize themselves with the needs and activities. No community remains at a standstill when the Congress is in session. It is a ceaseless, endless, constantly flowing ocean of human activity. Realizing this ever since I served as a member of the city council of the city of San Antonio, then in the State Senate of Texas, I have made it a point to visit every single installation having to do with those entities. As a Member of this great House of Representatives I have endeavored to visit every single Federal installation in my district, the 20th of Texas. I have almost accomplished this. One of the most efficient and remarkable offices, not only in the 20th Congressional District, but in all of the United States is the district office of the Social Security Administration, located in my home city of San Antonio, Tex.

This office is a prototype, or ideal, of what every office of this nature should be. The district director, John Palmer, is to be given full credit for having shaped this office to perform a difficult task in a

complex area with brilliance and tremendous capacity.

Better than 40 percent of the interviews are conducted in Spanish because of the peculiar heritage and historical evolution of this section of our country. Dr. Palmer, an unusual man, has on his own initiative equipped himself by learning Spanish and even taking courses in various colleges and universities of Mexico. He has been evenhanded in his administration of the office; he has set the pace for fair employment opportunities to all qualified citizens in the staffing of his corps of workers.

In short, Mr. Speaker, it has been an inspiration to me to know that my district possesses such efficient and conscientious public servants working in the administration of the complex laws the Congress, in its wisdom, has enacted for the welfare and progress of us all.

#### THE DISASTROUS FLOOD SITUATION IN NORTHERN CALIFORNIA

(Mr. JOHNSON of California (at the request of Mr. MATSUNAGA) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. JOHNSON of California. Mr. Speaker, I rise to call to the attention of my colleagues here in the House of Representatives the disastrous flood situation which northern California has been experiencing since a day or two before Christmas. During the past 10 days we have suffered a tragic loss of life and property and although the flood waters have, for the most part, subsided, we still do not know the extent of the damage. Most of the areas affected now are covered by a heavy layer of snow, 4 and 5 feet deep, with the morning weather reports forecasting even more snow.

The floods, the worst since 1955, were caused by warm rains following heavy snows. In addition to the heavy rains, the high temperatures melted the snow in the high mountains and sent torrents of water and debris raging down the mountain watersheds into the valleys below.

In portions of the Second Congressional District which I represent, hundreds of people were isolated, cut off from food and shelter by the raging rivers. It was a week or 10 days before many of them had any contact with civilization. The Red Cross and the Department of the Army, which is coordinating the relief efforts for the military, estimated it may be weeks—yes, weeks—before all of California's mercy and rescue missions can be completed, such is the destruction of the communications, roads, and bridges in the isolated areas which have suffered so greatly in the disaster.

The situation is serious, and I understand that in the four States affected, California, Washington, Oregon, and Idaho, the damage could easily top \$1 billion; but I would like to ponder for a minute to consider what it could have been. In the Sacramento Valley of California, damage was a fraction of what it might have been. This is true even though the conditions were ripe for a repetition of

floods which have raised havoc in the region on previous occasions.

Why did we escape the damage? Why are people enjoying the New Year who otherwise might have drowned before the old year was out? The primary answer to both of these questions is the multiple-purpose water resource development which has taken place on the Sacramento River and its tributaries, in recent years. Much of this has been due to the farsighted wisdom of the Congress of the United States. On behalf of the people of this region I would like to express the deepest appreciation for the support which the Congress has given to protecting the lives and property of these areas. Your confidence in these projects and your investment in them has reaped untold benefits. Oroville Dam, for instance, paid for itself in a short few days even though it is only partially completed. The Federal Government, I am proud to say, has made provisions for flood control operations within the reservoir.

Col. Robert Mathe, chief of the Sacramento district office of the Corps of Engineers which did such a magnificent job in directing the flood control operations in the Sacramento and San Joaquin Valleys basins these past few days, estimates that in the Sacramento River watershed alone, at least \$250 million in damage had been prevented through flood control project levies, Folsom and Shasta Dams.

But some critical deficiencies were pointed up during the floods. On the American River, on the outskirts of the State's capitol of Sacramento, Folsom Reservoir again saved that city from a major flood, but it was a close call. Flood waters poured into the reservoir at such a rapid rate that if the storm had not subsided when it did, the reservoir would have filled and the waters poured over the top of the dam to flood Sacramento under several feet of water.

This points up the need for final flood control of the American River. It is my sincere hope that within this Congress, and within this year, that we shall see authorized construction of the Auburn Dam, which will end for all time the threat of floods to the city of Sacramento and its environs. I might point out that today I am reintroducing legislation to authorize this project.

On the Stanislaus River to the south, New Melones Dam has been authorized and currently is being designed by the Army Engineers. Had we had this in operation, other millions of dollars in damage could have been prevented. And the floods also brought to our attention a critical situation existing in the Yuba City-Marysville region where a repetition of the 1955 floods easily could have taken place. We were within inches of such a disaster. On the north coast there is virtually no flood protection and we certainly need it. I am pleased at the announcement that surveys which I hope will lead to development on the Mad River, where damage approximated \$2 million, will be started in the immediate future. Similar action must be taken on the Klamath and other rivers of the region.



1ST SESSION

# S. 3

IN THE SENATE OF THE UNITED STATES

JANUARY 11, 1900

Mr. RANDOLPH (for himself, Mr. COCHRAN, Mr. ANDERSON, Mr. BARTMAN

Mr. CLARK, Mr. DODD, Mr. DOUGLASS, Mr. GORE, Mr. GREENING, Mr. HART,  
Mr. HARTKE, Mr. INOUYE, Mr. JOHNSTON, Mr. KENNEDY of Massachusetts,  
Mr. MAGNUSON, Mr. MCCARTHY, Mr. MCGOVERN, Mr. McNAMARA,  
Mr. METCALF, Mr. MONDALE, Mr. MORSE, Mr. MORTON, Mr. MOSS, Mr.

introduced the following bill: which was read twice and referred to

## A BILL

To provide public works and economic development programs





# S. 3

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## IN THE SENATE OF THE UNITED STATES

JANUARY 6, 1965

Mr. RANDOLPH (for himself, Mr. COOPER, Mr. ANDERSON, Mr. BARTLETT, Mr. BASS, Mr. BAYH, Mr. BREWSTER, Mr. BURDICK, Mr. BYRD of West Virginia, Mr. CLARK, Mr. DODD, Mr. DOUGLAS, Mr. GORE, Mr. GRUENING, Mr. HART, Mr. HARTKE, Mr. INOUE, Mr. JOHNSTON, Mr. KENNEDY of Massachusetts, Mr. MAGNUSON, Mr. MCCARTHY, Mr. MCGOVERN, Mr. MCNAMARA, Mr. METCALF, Mr. MONDALE, Mr. MORSE, Mr. MORTON, Mr. MOSS, Mr. NELSON, Mrs. NEUBERGER, Mr. PELL, Mr. RIBICOFF, Mr. SCOTT, Mr. TYDINGS, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, and Mr. YOUNG of Ohio) introduced the following bill; which was read twice and referred to the Committee on Public Works

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## A BILL

To provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Appalachian Regional  
4       Development Act of 1965".

5               FINDINGS AND STATEMENT OF PURPOSE

6       SEC. 2. The Congress hereby finds and declares that the

1 Appalachian region of the United States, while abundant in  
2 natural resources and rich in potential, lags behind the rest  
3 of the Nation in its economic growth and that its people  
4 have not shared properly in the Nation's prosperity. The  
5 region's uneven past development, with its historical reliance  
6 on a few basic industries and a marginal agriculture, has  
7 failed to provide the economic base that is a vital prerequi-  
8 site for vigorous, self-sustaining growth. The State and  
9 local governments and the people of the region understand  
10 their problems and have been working and will continue to  
11 work purposefully toward their solution. The Congress  
12 recognizes the comprehensive report of the President's Appa-  
13 lachian Regional Commission documenting these findings and  
14 concludes that regionwide development is feasible, desirable,  
15 and urgently needed. It is, therefore, the purpose of this  
16 Act to assist the region in meeting its special problems, to  
17 promote its economic development, and to establish a frame-  
18 work for joint Federal and State efforts toward providing the  
19 basic facilities essential to its growth and attacking its com-  
20 mon problems and meeting its common needs on a coordi-  
21 nated and concerted regional basis. The public investments  
22 made in the region under this Act shall be concentrated in  
23 areas where there is the greatest potential for future growth,  
24 and where the expected return on public dollars invested  
25 will be the greatest. The States will be responsible for rec-



ommending local and State projects, within their borders, which will receive assistance under this Act. As the region obtains the needed physical and transportation facilities and develops its human resources, the Congress expects that the region will generate a diversified industry, and that the region will then be able to support itself, through the workings of a strengthened free enterprise economy.

## TITLE I—THE APPALACHIAN REGIONAL COMMISSION

### MEMBERSHIP AND VOTING

SEC. 101. (a) There is hereby established an Appalachian Regional Commission (hereinafter referred to as the "Commission") which shall be composed of one Federal member, hereinafter referred to as the "Federal Co-chairman", appointed by the President by and with the advice and consent of the Senate, and one member from each participating State in the Appalachian region. The Federal Cochairman shall be one of the two Cochairmen of the Commission. Each State member may be the Governor, or his designee, or such other person as may be provided by the law of the State which he represents. The State members of the Commission shall elect a Cochairman of the Commission from among their number.

(b) Except as provided in section 105, decisions by the Commission shall require the affirmative vote of the Federal

1 Cochairman and of a majority of the State members (exclu-  
2 sive of members representing States delinquent under sec-  
3 tion 105). In matters coming before the Commission, the  
4 Federal Cochairman shall, to the extent practicable, con-  
5 sult with the Federal departments and agencies having an  
6 interest in the subject matter.

7 (c) Each State member shall have an alternate, ap-  
8 pointed by the Governor or as otherwise may be provided  
9 by the law of the State which he represents. The President,  
10 by and with the advice and consent of the Senate, shall ap-  
11 point an alternate for the Federal Cochairman. An alter-  
12 nate shall vote in the event of the absence, death, disability,  
13 removal, or resignation of the State or Federal representa-  
14 tive for which he is an alternate.

15 (d) The Federal Cochairman shall be compensated by  
16 the Federal Government at level IV of the Federal Execu-  
17 tive Salary Schedule of the Federal Executive Salary Act  
18 of 1964. His alternate shall be compensated by the Federal  
19 Government at not to exceed the maximum scheduled rate for  
20 grade GS-18 of the Classification Act of 1949, as amended,  
21 and when not actively serving as an alternate for the Federal  
22 Cochairman shall perform such functions and duties as are  
23 delegated to him by the Federal Cochairman. Each State  
24 member and his alternate shall be compensated by the State



1 which they represent at the rate established by the law of  
2 such State.

3                   FUNCTIONS OF THE COMMISSION

4       SEC. 102. In carrying out the purposes of this Act,  
5 the Commission shall—

6           (1) develop, on a continuing basis, comprehensive  
7 and coordinated plans and programs and establish pri-  
8 orities thereunder, giving due consideration to other  
9 Federal, State, and local planning in the region;

10          (2) conduct and sponsor investigations, research,  
11 and studies, including an inventory and analysis of the  
12 resources of the region, and, in cooperation with Federal,  
13 State, and local agencies, sponsor demonstration projects  
14 designed to foster regional productivity and growth;

15          (3) review and study, in cooperation with the  
16 agency involved, Federal, State, and local public and  
17 private programs and, where appropriate, recommend  
18 modifications or additions which will increase their effec-  
19 tiveness in the region;

20          (4) formulate and recommend, where appropriate,  
21 interstate compacts and other forms of interstate coop-  
22 eration, and work with State and local agencies in de-  
23 veloping appropriate model legislation;

1 (5) encourage the formation of local development  
2 districts;

3           (6) encourage private investment in industrial,  
4       commercial, and recreational projects;

(7) serve as a focal point and coordinating unit for Appalachian programs;

7 (8) provide a forum for consideration of problems  
8 of the region and proposed solutions and establish and  
9 utilize, as appropriate, citizens and special advisory  
10 councils and public conferences; and

11 (9) advise the Secretary of Commerce on appli-  
12 cations for grants for administrative expenses to local  
13 development districts.

## 14 RECOMMENDATIONS

15 SEC. 103. The Commission may, from time to time,  
16 make recommendations to the President and to the State  
17 Governors and appropriate local officials with respect to—

(1) the expenditure of funds by Federal, State, and local departments and agencies in the region in the fields of natural resources, agriculture, education, training, health and welfare, and other fields related to the purposes of this Act; and

(2) such additional Federal, State, and local legis-  
lation or administrative actions as the Commission  
deems necessary to further the purposes of this Act.



LIAISON BETWEEN FEDERAL GOVERNMENT AND THE  
COMMISSION

SEC. 104. The President shall provide effective and continuing liaison between the Federal Government and the Commission and a coordinated review within the Federal Government of the plans and recommendations submitted by the Commission pursuant to sections 102 and 103.

ADMINISTRATIVE EXPENSES OF THE COMMISSION

SEC. 105. (a) For the period ending on June 30 of the second full Federal fiscal year following the date of enactment of this Act, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid equally by the Federal Government and the States in the region. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

(b) Not to exceed \$2,200,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

## 1 ADMINISTRATIVE POWERS OF COMMISSION

2 SEC. 106. To carry out its duties under this Act, the  
3 Commission is authorized to—

4 (1) adopt, amend, and repeal bylaws, rules, and  
5 regulations governing the conduct of its business and  
6 the performance of its functions.

7 (2) appoint and fix the compensation of an execu-  
8 tive director and such other personnel as may be neces-  
9 sary to enable the Commission to carry out its func-  
10 tions, except that such compensation shall not exceed  
11 the salary of the alternate to the Federal Cochair-  
12 man on the Commission as provided in section 101.  
13 No member, alternate, officer, or employee of the Com-  
14 mission, other than the Federal Cochairman on the  
15 Commission and his alternate and Federal employees  
16 detailed to the Commission under paragraph (3) shall  
17 be deemed a Federal employee for any purpose.

18 (3) request the head of any Federal department or  
19 agency (who is hereby so authorized) to detail to  
20 temporary duty with the Commission such personnel  
21 within his administrative jurisdiction as the Commission  
22 may need for carrying out its functions, each such detail  
23 to be without loss of seniority, pay, or other employee  
24 status.



1           (4) arrange for the services of personnel from any  
2 State or local government or any subdivision or agency  
3 thereof, or any intergovernmental agency.

4           (5) make arrangements, including contracts, with  
5 any participating State government for inclusion in a  
6 suitable retirement and employee benefit system of such  
7 of its personnel as may not be eligible for, or continue in,  
8 another governmental retirement or employee benefit  
9 system, or otherwise provide for such coverage of its  
10 personnel. The Civil Service Commission of the United  
11 States is authorized to contract with the Commission for  
12 continued coverage of Commission employees, who at  
13 date of Commission employment are Federal employees,  
14 in the retirement program and other employee benefit  
15 programs of the Federal Government.

16           (6) accept, use, and dispose of gifts or donations  
17 of services or property, real, personal, or mixed, tangible  
18 or intangible.

19           (7) enter into and perform such contracts, leases,  
20 cooperative agreements, or other transactions as may be  
21 necessary in carrying out its functions and on such  
22 terms as it may deem appropriate, with any department,  
23 agency, or instrumentality of the United States or with

1 any State, or any political subdivision, agency, or in-  
2 strumentality thereof, or with any person, firm, asso-  
3 ciation, or corporation.

4 (8) maintain a temporary office in the District of  
5 Columbia and establish a permanent office at such loca-  
6 tion as it may select and field offices at such other places  
7 as it may deem appropriate.

8 (9) take such other actions and incur such other  
9 expenses as may be necessary or appropriate.

#### 10 INFORMATION

11 SEC. 107. In order to obtain information needed to  
12 carry out its duties, the Commission shall—

13 (1) hold such hearings, sit and act at such times  
14 and places, take such testimony, receive such evidence,  
15 and print or otherwise reproduce and distribute so much  
16 of its proceedings and reports thereon as it may deem  
17 advisable, a Cochairman of the Commission, or any  
18 member of the Commission designated by the Commis-  
19 sion for the purpose, being hereby authorized to admin-  
20 ister oaths when it is determined by the Commission  
21 that testimony shall be taken or evidence received under  
22 oath;

23 (2) arrange for the head of any Federal, State, or  
24 local department or agency (who is hereby so authorized  
25 to the extent not otherwise prohibited by law) to furnish



1 to the Commission such information as may be available  
2 to or procurable by such department or agency; and

3 (3) keep accurate and complete records of its doings  
4 and transactions which shall be made available for public  
5 inspection.

6 PERSONAL FINANCIAL INTERESTS

7 SEC. 108. (a) Except as permitted by subsection (b)  
8 hereof, no State member or alternate and no officer or em-  
9 ployee of the Commission shall participate personally and  
10 substantially as member, alternate, officer, or employee,  
11 through decision, approval, disapproval, recommendation,  
12 the rendering of advice, investigation, or otherwise, in any  
13 proceeding, application, request for a ruling or other determi-  
14 nation, contract, claim, controversy, or other particular  
15 matter in which, to his knowledge, he, his spouse, minor  
16 child, partner, organization (other than a State or political  
17 subdivision thereof) in which he is serving as officer, director,  
18 trustee, partner, or employee, or any person or organization  
19 with whom he is serving as officer, director, trustee, partner,  
20 or employee, or any person or organization with whom he  
21 is negotiating or has any arrangement concerning prospective  
22 employment, has a financial interest. Any person who shall  
23 violate the provisions of this subsection shall be fined not  
24 more than \$10,000, or imprisoned not more than two years,  
25 or both.

1       (b) Subsection (a) hereof shall not apply if the State  
2 member, alternate, officer, or employee first advises the  
3 Commission of the nature and circumstances of the proceed-  
4 ing, application, request for a ruling or other determination,  
5 contract, claim, controversy, or other particular matter and  
6 makes full disclosure of the financial interest and receives  
7 in advance a written determination made by the Commis-  
8 sion that the interest is not so substantial as to be deemed  
9 likely to affect the integrity of the services which the Com-  
10 mission may expect from such State member, alternate,  
11 officer, or employee.

12       (c) No State member or alternate shall receive any  
13 salary, or any contribution to or supplementation of salary  
14 for his services on the Commission from any source other  
15 than his State. No person detailed to serve the Commission  
16 under authority of paragraph (4) of section 106 shall  
17 receive any salary or any contribution to or supplementation  
18 of salary for his services on the Commission from any source  
19 other than the State, local, or intergovernmental department  
20 or agency from which he was detailed or from the Commis-  
21 sion. Any person who shall violate the provisions of this  
22 subsection shall be fined not more than \$5,000, or impris-  
23 oned not more than one year, or both.

24       (d) Notwithstanding any other subsection of this sec-  
25 tion, the Federal Cochairman and his alternate on the Com-



1 mission and any Federal officers or employees detailed to  
2 duty with it pursuant to paragraph (3) of section 106 shall  
3 not be subject to any such subsection but shall remain sub-  
4 ject to sections 202 through 209 of title 18, United States  
5 Code.

6 (e) The Commission may, in its discretion, declare void  
7 and rescind any contract, loan, or grant of or by the Com-  
8 mission in relation to which it finds that there has been a  
9 violation of subsection (a) or (c) of this section, or any of  
10 the provisions of sections 202 through 209, title 18, United  
11 States Code.

## 12 TITLE II—SPECIAL APPALACHIAN PROGRAMS

### 13 PART A—NEW PROGRAMS

#### 14 APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

15 SEC. 201. (a) The Secretary of Commerce (hereafter  
16 in this section referred to as the “Secretary”) is authorized  
17 to assist in the construction of an Appalachian development  
18 highway system serving the Appalachian region (not to  
19 exceed a total of three thousand three hundred and fifty miles  
20 in length of which total not to exceed one thousand miles  
21 shall be local access roads that will serve specific recreational,  
22 residential, commercial, industrial, or other like facilities or  
23 will facilitate a school consolidation program). The system,  
24 in conjunction with the Interstate System and other Federal-  
25 aid highways in the region will provide a highway system

1 which will open up an area or areas with a developmental  
2 potential where commerce and communication have been  
3 inhibited by lack of adequate access. The provisions of title  
4 23, United States Code, that are applicable to Federal-aid  
5 primary highways, and which the Secretary determines are  
6 not inconsistent with this Act, shall apply to the Appalachian  
7 development highway system.

8 (b) As soon as feasible, the Commission shall submit  
9 to the Secretary its recommendations with respect to (1) the  
10 general corridor location and termini of the development  
11 highways, (2) the designation of local access roads to be con-  
12 structed, (3) priorities for construction of the local access  
13 roads and of the major segments of the development high-  
14 ways, and (4) other criteria for the program authorized by  
15 this section. Before any State member participates in or  
16 votes on such recommendations, he shall have obtained the  
17 recommendations of the State highway department of the  
18 State which he represents.

19 (c) The Secretary shall have authority to approve in  
20 whole or in part such recommendations or to require modifi-  
21 cations or revisions thereof. In no event shall the Secre-  
22 tary approve any recommendations for any construction  
23 which would require for its completion the expenditure of  
24 Federal funds (other than funds available under title 23,  
25 United States Code) in excess of the appropriation authori-



1 zations in subsection (g). On its completion each develop-  
2 ment highway not already on the Federal-aid primary sys-  
3 tem shall be added to such system and shall be required to  
4 be maintained by the State.

5 (d) In the construction of highways and roads author-  
6 ized under this section, the States may give special prefer-  
7 ence to the use of mineral resource materials indigenous to  
8 the Appalachian region.

9 (e) For the purposes of research and development in  
10 the use of coal and coal products in highway construction  
11 and maintenance, the Secretary is authorized to require each  
12 participating State, to the maximum extent possible, to use  
13 coal derivatives in the construction of not to exceed 10 per  
14 centum of the roads authorized under this Act.

15 (f) Federal assistance to any construction project under  
16 this section shall not exceed 50 per centum of the costs of  
17 such project, unless the Secretary determines, pursuant to  
18 the recommendation of the Commission, that assistance in  
19 excess of such percentage is required in furtherance of the  
20 purposes of this Act, but in no event shall such Federal  
21 assistance exceed 70 per centum of such costs.

22 (g) To carry out this section, there is hereby authorized  
23 to be appropriated \$840,000,000.

24 DEMONSTRATION HEALTH FACILITIES

25 SEC. 202. (a) In order to demonstrate the value of

1 adequate health and medical facilities to the economic devel-  
2 opment of the region, the Secretary of Health, Education,  
3 and Welfare is authorized to make grants for the construc-  
4 tion, equipment, and operation of multicounty demonstration  
5 health facilities, including hospitals, regional health diagnos-  
6 tic and treatment centers, and other facilities necessary to  
7 health. Grants for such construction (including initial  
8 equipment) shall be made in accordance with the applicable  
9 provisions of title VI of the Public Health Service Act (42  
10 U.S.C. 291-291z) and the Mental Retardation Facilities  
11 and Community Mental Health Centers Construction Act of  
12 1963 (77 Stat. 282), without regard to any provisions there-  
13 in relating to appropriation authorization ceiling or to allot-  
14 ments among the States. Grants under this section shall  
15 be made solely out of funds specifically appropriated for  
16 the purpose of carrying out this Act and shall not be taken  
17 into account in the computation of the allotments among  
18 the States made pursuant to any other provision of law.

19 (b) No grant under this section for construction (in-  
20 cluding initial equipment) shall exceed 80 per centum of  
21 the cost of the project. Not to exceed \$41,000,000 of the  
22 funds authorized in section 401 shall be available for con-  
23 struction grants under this section.

24 (c) Grants under this section for operation (including  
25 equipment other than initial equipment) of a project may



1 be made up to 100 per centum of the costs thereof for the  
2 two-year period beginning on the first day such project is  
3 in operation as a health facility. For the next three years  
4 of operations such grants shall not exceed 50 per centum  
5 of such costs. No grants for operation of a project shall be  
6 made after five years following the commencement of such  
7 operations. Not to exceed \$28,000,000 of the funds author-  
8 ized in section 401 of this Act shall be available for operating  
9 grants under this section.

10 LAND IMPROVEMENT AND EROSION CONTROL

11 SEC. 203. (a) In order to promote the conservation  
12 and fuller utilization of the region's important land and water  
13 resources, the Secretary of Agriculture is authorized to make  
14 grants to landowners to assist in the improvement and de-  
15 velopment of land for pasture and erosion control in the  
16 region. Grants to any landowner under this section shall not  
17 exceed 80 per centum of the cost of improving and develop-  
18 ing twenty-five acres of land owned by such landowner.  
19 Such improvement and development of land shall be carried  
20 out under the provisions of an agreement to be entered  
21 into by the landowner and the Secretary of Agriculture, for  
22 such period not to exceed ten years as the Secretary may  
23 determine, which shall include such terms and conditions  
24 as the Secretary may deem necessary to effectuate the pur-

1 poses of this section and to assure that such improvement  
2 and development of land will be properly established, and  
3 adequately maintained during the period of agreement, in  
4 accordance with technically sound standards and procedures.

5 (b) In carrying out the provisions of this section, the  
6 Secretary of Agriculture shall utilize the services of the Soil  
7 Conservation Service, and the State and local committees  
8 provided for in section 8 (b) of the Soil Conservation and  
9 Domestic Allotment Act (16 U.S.C. 590 (b) ), and is  
10 authorized to utilize the facilities, services, and authorities of  
11 the Commodity Credit Corporation. The Corporation shall  
12 not make any expenditures to carry out the provisions of  
13 this subsection unless funds specifically appropriated for such  
14 purpose have been transferred to it.

15 (c) Not to exceed \$17,000,000 of the funds authorized  
16 in section 401 of this Act shall be available to carry out this  
17 section.

18 TIMBER DEVELOPMENT ORGANIZATIONS

19 SEC. 204. (a) In order that the region shall more fully  
20 benefit from the timber stands that are one of its prime  
21 assets, the Secretary of Agriculture is authorized to—

22 (1) provide technical assistance in the organization  
23 and operation, under State law, of private timber de-  
24 velopment organizations having as their objective the  
25 carrying out of timber development programs to im-



1 prove timber productivity and quality, and increase  
2 returns to landowners through establishment of private  
3 nonprofit corporations, which on a self-supporting basis  
4 may provide (A) continuity of management, good  
5 cutting practices, and marketing services, (B) physical  
6 consolidation of small holdings or administrative con-  
7 solidation for efficient management under long-term  
8 agreement, (C) management of forest lands, donated  
9 to the timber development organizations for demon-  
10 strating good forest management, on a profitable and  
11 taxpaying basis, and (D) establishment of a permanent  
12 fund for perpetuation of the work of the corporations  
13 to be composed of donations, real or personal, for edu-  
14 cational purposes.

15 (2) provide not more than one-half of the initial  
16 capital requirements of such timber development orga-  
17 nizations through loans under the applicable provisions  
18 of the Consolidated Farmers Home Administration Act  
19 of 1961 (7 U.S.C. 1926 et seq.). Such loans shall not  
20 be used for the construction or acquisition of facilities  
21 for manufacturing, processing, or marketing forest  
22 products.

23 (b) Not to exceed \$5,000,000 of the funds authorized  
24 in section 401 of this Act shall be available to carry out this  
25 section.

## MINING AREA RESTORATION

SEC. 205. (a) In order to further the economic development of the region by rehabilitating areas presently damaged by deleterious mining practices, the Secretary of the Interior is authorized to—

(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines in accordance with the provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), without regard to section 2 (b) thereof (30 U.S.C. 572 (b) ) or to any provisions therein limiting assistance to anthracite coal formations, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act.

(2) plan and execute projects for extinguishing underground and outcrop mine fires in the region in accordance with the provisions of the Act of August 31, 1954 (30 U.S.C. 551 et seq.), without regard to any provisions therein relating to annual appropriation authorization ceilings. Grants under this paragraph shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act.

(3) expand and accelerate fish and wildlife restoration projects in the region in accordance with the provi-



1        sions of the Act of September 2, 1937 (16 U.S.C. 669  
2        et seq.), and the Act of August 9, 1950 (16 U.S.C.  
3        777 et seq.), without regard to any provisions therein  
4        relating to apportionments among the States and to  
5        limitations on the availability of funds. The expenses  
6        of projects under this paragraph shall be paid solely out  
7        of funds specifically appropriated for the purpose of  
8        carrying out this Act, and shall not be taken into account  
9        in the computation of the apportionments among the  
10       States pursuant to any other provisions of law.

11       (b) For the fiscal years 1966 and 1967, notwithstand-  
12       ing any other provision of law, the Federal share of mining  
13       area restoration projects carried out under subsection (a) of  
14       this section and conducted on lands other than federally  
15       owned lands shall not exceed 75 per centum of the total cost  
16       thereof. Strip mine restoration projects shall be carried out  
17       only on lands, public or private, on which there is provided  
18       access and use by the public to assure an adequate public  
19       benefit.

20       (c) The Congress hereby declares its intent to provide  
21       for a study of a comprehensive, long-range program  
22       for the purpose of reclaiming and rehabilitating strip and sur-  
23       face mining areas in the United States. To this general end,  
24       the Secretary of the Interior shall, in full cooperation with

1 the Secretary of Agriculture, the Tennessee Valley Authority,  
2 and other appropriate Federal, State, and local departments  
3 and agencies, and with the Commission, make a survey and  
4 study of strip and surface mining operations and their effects  
5 in the United States. The Secretary of the Interior shall  
6 submit to the President his recommendations for a long-range  
7 comprehensive program for reclamation and rehabilitation of  
8 strip and surface mining areas in the United States and for  
9 the policies under which the program should be conducted,  
10 and the President shall submit these to the Congress, together  
11 with his recommendations, not later than July 1, 1967. By  
12 July 1, 1966, the Secretary shall make an interim report to  
13 the Commission summarizing his findings to that date on  
14 those aspects of strip and surface mining operations in the  
15 region that are most urgently in need of attention. Such  
16 study and recommendations shall include, but not be limited  
17 to, a consideration of the following matters—

18           (1) the nature and extent of strip and surface min-  
19       ing operations in the United States and the conditions  
20       resulting therefrom;

21           (2) the ownership of the real property involved in  
22       strip and surface mining operations;

23           (3) the effectiveness of past action by States or  
24       local units of government to remedy the adverse effects  
25       of strip and surface mining operation by financial or



1 regulatory measures, and requirements for appropriate  
2 State legislation, including adequate enforcement thereof,  
3 to provide for proper reclamation and rehabilitation of  
4 areas which may be strip and surface mined in the  
5 future;

6 (4) the public interest in and public benefits which  
7 may result from reclamation, rehabilitation, and appro-  
8 priate development and use of areas subjected to strip  
9 and surface mining operations, including (A) economic  
10 development growth, (B) public recreation, (C) public  
11 health and safety, (D) water pollution, stream sedi-  
12 mentation, erosion control, and flood control, (E) high-  
13 way programs, (F) fish and wildlife protection and  
14 restoration, (G) scenic values, and (H) forestry and  
15 agriculture;

16 (5) the appropriate roles of Federal, State, and  
17 private interests in the reclamation and rehabilitation  
18 of strip and surface mining areas and the relative costs  
19 to be borne by each, including specific consideration of  
20 (A) the extent, if any, to which strip and surface mine  
21 operators are unable to bear the cost of remedial action  
22 within the limits imposed by the economics of such  
23 mining activity, and (B) the extent to which the pro-  
24 spective value of lands and other natural resources, after  
25 remedial work has been completed, would be inadequate

1 to justify the landowners doing the remedial work at  
2 their expense; and

3 (6) the objectives and the total overall costs of a  
4 program for accomplishing the reclamation and reha-  
5 bilitation of existing strip and surface mining areas in  
6 the United States, giving adequate consideration to (A)  
7 the economic benefits in relation to costs, (B) the pre-  
8 vention of future devastation of reclaimed and rehabili-  
9 tated areas, (C) the avoidance of unwarranted financial  
10 gain to private owners of improved property, and (D)  
11 the types of aid required to accomplish such reclamation  
12 and rehabilitation.

13 (d) Not to exceed \$21,500,000 of the funds author-  
14 ized in section 401 of this Act shall be available to carry out  
15 this section.

16 WATER RESOURCE SURVEY

17 SEC. 206. (a) The Secretary of the Army is hereby  
18 authorized and directed to prepare a comprehensive plan for  
19 the development and efficient utilization of the water and re-  
20 lated resources of the Appalachian region, giving special at-  
21 tention to the need for an increase in the production of eco-  
22 nomic goods and services within the region as a means of  
23 expanding economic opportunities and thus enhancing the  
24 welfare of its people, which plan shall constitute an integral



1 and harmonious component of the regional economic develop-  
2 ment program authorized by this Act.

3 (b) This plan may recommend measures for the con-  
4 trol of floods, the regulation of the rivers to enhance their  
5 value as sources of water supply for industrial and munici-  
6 pal development, the generation of hydroelectric power, the  
7 prevention of water pollution by drainage from mines, the  
8 development and enhancement of the recreational potentials  
9 of the region, the improvement of the rivers for navigation  
10 where this would further industrial development at less cost  
11 than would the improvement of other modes of transporta-  
12 tion, the conservation and efficient utilization of the land re-  
13 source, and such other measures as may be found necessary  
14 to achieve the objectives of this section.

15 (c) To insure that the plan prepared by the Secretary  
16 of the Army shall constitute a harmonious component of  
17 the regional program, he shall consult with the Commission  
18 and the following: the Secretary of Agriculture, the Secre-  
19 tary of Commerce, the Secretary of Health, Education, and  
20 Welfare, the Secretary of the Interior, the Tennessee Valley  
21 Authority, and the Federal Power Commission.

22 (d) The plan prepared pursuant to this section shall  
23 be submitted to the Commission. The Commission shall sub-  
24 mit the plan to the President with a statement of its views,

1 and the President shall submit the plan to the Congress with  
2 his recommendations not later than December 31, 1968.

3 (e) The Federal agencies referred to in subsection (c)  
4 of this section are hereby authorized to assist the Secretary  
5 of the Army in the preparation of the plan authorized by this  
6 section, and the Secretary of the Army is authorized to enter  
7 into and perform such contracts, leases, cooperative agree-  
8 ments, or other transactions as may be necessary to the  
9 preparation of this plan and on such terms as he may deem  
10 appropriate, with any department, agency, or instrumen-  
11 tality of the United States or with any State, or any political  
12 subdivision, agency, or instrumentality thereof, or with any  
13 person, firm, association, or corporation.

14 (f) The plan to be prepared by the Secretary of the  
15 Army pursuant to this section shall also be coordinated with  
16 all comprehensive river basin plans heretofore or hereafter  
17 developed by United States study commissions, interagency  
18 committees, or similar planning bodies, for those river sys-  
19 tems draining the Appalachian region.

20 (g) Not to exceed \$5,000,000 of the funds authorized  
21 in section 401 of this Act shall be available to carry out  
22 this section.



1 PART B—SUPPLEMENTATIONS AND MODIFICATIONS OF  
2 EXISTING PROGRAMS  
3 VOCATIONAL EDUCATION FACILITIES

4 SEC. 211. (a) In order to provide basic facilities to give  
5 the people of the region the training and education they  
6 need to obtain employment, the Secretary of Health, Edu-  
7 cation, and Welfare is authorized to make grants for con-  
8 struction of the school facilities needed for the provision  
9 of vocational education in areas of the region in which such  
10 education is not now adequately available. Such grants  
11 shall be made in accordance with the provisions of the Voca-  
12 tional Education Act of 1963 (77 Stat. 403), without re-  
13 gard to any provisions therein relating to appropriation  
14 authorization ceilings or to allotments among the States.  
15 Grants under this section shall be made solely out of funds  
16 specifically appropriated for the purpose of carrying out  
17 this Act, and shall not be taken into account in the com-  
18 putation of the allotments among the States made pursuant  
19 to any other provision of law.

20 (b) Not to exceed \$16,000,000 of the funds authorized  
21 in section 401 of this Act shall be available to carry out  
22 this section.

## SEWAGE TREATMENT WORKS

SEC. 212. (a) In order to provide facilities to assist in the prevention of pollution of the region's streams and to protect the health and welfare of its citizens, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction of sewage treatment works in accordance with the provisions of the Federal Water Pollution Control Act (33 U.S.C. 466 et seq.), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States pursuant to any other provision of law.

(b) Not to exceed \$6,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

## AMENDMENTS TO HOUSING ACT OF 1954

SEC. 213. (a) Section 701 (a) of the Housing Act of 1954 (40 U.S.C. 461 (a) ) is amended by striking the word "and" at the end of paragraph (7), by substituting for the period at the end of paragraph (8) the phrase "; and", and by adding a new paragraph (9) to read as follows:

"(9) the Appalachian Regional Commission, es-



1        tablished by the Appalachian Regional Development  
2        Act of 1965, for comprehensive planning for the Ap-  
3        palachian region as defined by section 403 of such Act.”

4        (b) Section 701 (b) of the Housing Act of 1954 (40  
5        U.S.C. 461 (b) ), is amended by adding before the period  
6        at the end of the first sentence the following: “, or to the  
7        Appalachian Regional Commission”.

8        SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

9        SEC. 214. (a) In order to enable the people, States, and  
10       local communities of the region, including local development  
11       districts, to take maximum advantage of Federal grant-in-  
12       aid programs (as hereinafter defined) for which they are  
13       eligible but for which, because of their economic situation,  
14       they cannot supply the required matching share, the Secretary  
15       of Commerce is authorized, pursuant to specific recommenda-  
16       tions of the Commission approved by him and after consulta-  
17       tion with the appropriate Federal officials, to allocate funds  
18       appropriated to carry out this section to the heads of the  
19       departments, agencies, and instrumentalities of the Federal  
20       Government responsible for the administration of such Fed-  
21       eral grant-in-aid programs. Funds so allocated shall be used  
22       for the sole purpose of increasing the Federal contribution  
23       to projects under such programs above the fixed maximum  
24       portion of the cost of such project otherwise authorized by  
25       the applicable law. Funds shall be so allocated for Federal

1 grant-in-aid programs for which funds are available under  
2 the Act authorizing such programs. Such allocations shall  
3 be available without regard to any appropriation authoriza-  
4 tion ceilings in such Act.

5 (b) The Federal portion of such costs shall not be in-  
6 creased in excess of the percentages established by regula-  
7 tions promulgated by the Secretary of Commerce, and such  
8 regulations shall in no event authorize the Federal portion  
9 of such costs to exceed 80 per centum thereof.

10 (c) The term "Federal grant-in-aid programs" as used  
11 in this section means those Federal grant-in-aid programs  
12 authorized by this Act for the construction or equipment of  
13 facilities, and all other Federal grant-in-aid programs author-  
14 ized on or before the effective date of this Act by Acts other  
15 than this Act for the acquisition of land and the construc-  
16 tion or equipment of facilities, including but not limited to  
17 grant-in-aid programs authorized by the following Acts:  
18 Federal Water Pollution Control Act; Watershed Protection  
19 and Flood Prevention Act; title VI of the Public Health  
20 Service Act; Vocational Education Act of 1963; Library  
21 Services Act; Federal Airport Act; part IV of title III of  
22 the Communications Act of 1934; Higher Education Facil-  
23 ities Act of 1963; Land and Water Conservation Fund Act  
24 of 1965. The term shall not include (A) the program  
25 for the construction of the development highway system



1 authorized by section 201 of this Act or any other program  
2 relating to highway or road construction, or (B) any other  
3 program for which loans or other Federal financial assist-  
4 ance, except a grant-in-aid program, is authorized by this  
5 or any other Act.

6 (d) Not to exceed \$90,000,000 of the funds authorized  
7 in section 401 of this Act shall be available to carry out this  
8 section.

## 9 PART C—GENERAL PROVISIONS

### 10 MAINTENANCE OF EFFORT

11 SEC. 221. No State and no political subdivision of such  
12 State shall be eligible to receive benefits under this Act un-  
13 less the aggregate expenditures of State funds, exclusive of  
14 Federal funds, for the benefit of the area within the State  
15 located in the region are maintained at a level which does not  
16 fall below the average level of such expenditures for its last  
17 two full fiscal years preceding the date of enactment of this  
18 Act. In computing the average level of expenditure for its  
19 last two fiscal years, a State's past expenditure for partici-  
20 pation in the National System of Interstate and Defense  
21 Highways shall not be included. The Commission shall  
22 recommend to the President or such Federal officer or officers  
23 as the President may designate, a lesser requirement when  
24 it finds that a substantial population decrease in that portion  
25 of a State which lies within the region would not justify a

1 State expenditure equal to the average level of the last two  
2 years or when it finds that a State's average level of expendi-  
3 ture, within an individual program, has been disproportionate  
4 to the present need for that portion of the State which lies  
5 within the region.

6  
7 **CONSENT OF STATES**

8 **SEC. 222.** Nothing contained in this Act shall be inter-  
9 preted as requiring any State to engage in or accept any  
10 program under this Act without its consent.

11 **PROGRAM IMPLEMENTATION**

12 **SEC. 223.** A program authorized under any section of  
13 this title shall not be implemented until (1) the Commission  
14 has consulted with the appropriate official or officials con-  
15 cerned with such program as may be designated by the  
16 Governor or Governors of the State or States involved and  
17 has obtained the recommendations of such official or officials  
18 with respect to such program and (2) plans with respect  
19 to such program have been recommended by the Commission  
20 and have been submitted to and approved or modified by the  
21 President or such Federal officer or officers as the President  
22 may designate.

23 **PROGRAM DEVELOPMENT CRITERIA**

24 **SEC. 224. (a)** In developing recommendations on the  
25 programs and projects to be given assistance under this Act,  
and in establishing within those recommendations a priority



1 ranking of the requests for assistance presented to the Com-  
2 mission, the Commission shall follow procedures that will  
3 insure consideration of the following factors:

4 (1) the relationship of the project or class of proj-  
5 ects to overall regional development including its loca-  
6 tion in an area determined by the State to have the  
7 greatest potential for growth;

8 (2) the population and area to be served by the  
9 project or class of projects including the relative per  
10 capita income and the unemployment rates in the area;

11 (3) the relative financial resources available to the  
12 State or political subdivisions or instrumentalities thereof  
13 which seek to undertake the project;

14 (4) the importance of the project or class of proj-  
15 ects in relation to other projects or classes of projects  
16 which may be in competition for the same funds;

17 (5) the prospects that the project for which assist-  
18 ance is sought will improve, on a continuing rather than  
19 a temporary basis, the opportunities for employment,  
20 the average level of income, or the economic and social  
21 development of the area served by the project.

22 (b) Nothing in this Act shall authorize any assistance  
23 under this Act to be used (1) in relocating establishments  
24 from one area to another; (2) to finance the cost of industrial  
25 plants, commercial facilities, machinery, working capital;

1 (3) to finance the cost of facilities for the generation, trans-  
2 mission, or distribution of electric energy; or (4) to finance  
3 the cost of facilities for the production, transmission, or dis-  
4 tribution of gas (natural, manufactured, or mixed).

### 5 TITLE III—ADMINISTRATION

#### 6 LOCAL DEVELOPMENT DISTRICTS—CERTIFICATION

7 SEC. 301. For the purposes of this Act, a “local develop-  
8 ment district” shall be an entity certified to the Commission  
9 either by the Governor of the State or States in which such  
10 entity is located, or by the State officer designated by the  
11 appropriate State law to make such certification, as having  
12 a charter or authority that includes the economic develop-  
13 ment of counties or parts of counties or other political sub-  
14 divisions within the region. No entity shall be certified as  
15 a local development district for the purposes of this Act  
16 unless it is one of the following:

17 (1) a nonprofit incorporated body organized or  
18 chartered under the law of the State in which it is  
19 located;

20 (2) a nonprofit agency or instrumentality of a State  
21 or local government;

22 (3) a nonprofit agency or instrumentality created  
23 through an interstate compact; or

24 (4) a nonprofit association or combination of such  
25 bodies, agencies, and instrumentalities.



1 GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DE-  
2 VELOPMENT DISTRICTS AND FOR RESEARCH AND  
3 DEMONSTRATION PROJECTS

4 SEC. 302. (a) The Secretary of Commerce is author-  
5 ized—

6 (1) either directly or through arrangements with  
7 the Commission, to make grants for administrative ex-  
8 penses to local development districts. The amount of  
9 any such grant shall not exceed 75 per centum of such  
10 expenses in any one fiscal year. No grants for adminis-  
11 trative expenses shall be made to a local development  
12 district for a period in excess of three years beginning on  
13 the date the initial grant is made to such development  
14 district. The local contributions for administrative ex-  
15 penses may be in cash or in kind, fairly evaluated, in-  
16 cluding but not limited to space, equipment, and serv-  
17 ices; and

18 (2) either directly or through arrangements with  
19 appropriate public or private organizations (including  
20 the Commission), to provide funds for investigation,  
21 research, studies, and demonstration projects, but not  
22 for construction purposes, which will further the pur-  
23 poses of this Act.

24 (b) Not to exceed \$5,500,000 of the funds authorized

1 in section 401 of this Act shall be available to carry out  
2 this section.

3 PROJECT APPROVAL

4 SEC. 303. An application for a grant or for any other  
5 assistance for a program or project under this Act shall be  
6 made only by a State, a political subdivision of a State, or  
7 a local development district. Each such application shall be  
8 made through the State member of the Commission repre-  
9 senting such applicant, and such State member shall evaluate  
10 such application for approval. Only applications for pro-  
11 grams and projects which are approved by a State member  
12 as meeting the requirements for assistance under the Act  
13 shall be approved for assistance by the Commission.

14 ANNUAL REPORT

15 SEC. 304. Not later than six months after the close of  
16 each fiscal year, the Commission shall prepare and submit  
17 to the Governor of each State in the region and to the Presi-  
18 dent, for transmittal to the Congress, a report on the activi-  
19 ties carried out under this Act during such year.

20 TITLE IV—APPROPRIATIONS AND

21 MISCELLANEOUS PROVISIONS

22 AUTHORIZATION OF APPROPRIATIONS

23 SEC. 401. In addition to the appropriations authorized  
24 in section 201 for the Appalachian development highway  
25 system, there is hereby authorized to be appropriated for



1 the period ending June 30, 1967, to be available until  
2 expended, not to exceed \$237,200,000 to carry out this  
3 Act.

#### 4 APPLICABLE LABOR STANDARDS

5 SEC. 402. All laborers and mechanics employed by con-  
6 tractors or subcontractors in the construction, alteration, or  
7 repair, including painting and decorating, of projects, build-  
8 ings, and works which are financially assisted through the  
9 Federal funds authorized under this Act, shall be paid wages  
10 at rates not less than those prevailing on similar construc-  
11 tion in the locality as determined by the Secretary of Labor  
12 in accordance with the Davis-Bacon Act, as amended (40  
13 U.S.C. 276a—276a-5). The Secretary of Labor shall have  
14 with respect to such labor standards, the authority and func-  
15 tions set forth in Reorganization Plan Numbered 14 of  
16 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133—  
17 133z-15), and section 2 of the Act of June 13, 1934, as  
18 amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

#### 19 DEFINITION OF APPALACHIAN REGION

20 SEC. 403. As used in this Act, the term “Appalachian  
21 region” or “the region” means that area of the eastern  
22 United States consisting of the following counties (including  
23 any political subdivision located within such area) :

24 In Alabama, the counties of Bibb, Blount, Calhoun,  
25 Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert,

1 Coosa, Cullman, De Kalb, Elmore, Etowah, Fayette,  
 2 Franklin, Jackson, Jefferson, Lawrence, Limestone,  
 3 Madison, Marion, Marshall, Morgan, Randolph, Saint  
 4 Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa,  
 5 Walker, and Winston;

6 In Georgia, the counties of Banks, Barrow, Bartow  
 7 Carroll, Catoosa, Chattooga, Cherokee, Dade, Dawson,  
 8 Douglas, Fannin, Floyd, Forsyth, Franklin, Gilmer,  
 9 Gordon, Gwinnett, Habersham, Hall, Haralson, Heard,  
 10 Jackson, Lumpkin, Madison, Murray, Paulding, Pick-  
 11 ens, Polk, Rabun, Stephens, Towns, Union, Walker,  
 12 White, and Whitfield;

13 In Kentucky, the counties of Adair, Bath, Bell,  
 14 Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton,  
 15 Cumberland, Elliott, Estill, Fleming, Floyd, Garrard,  
 16 Green, Greenup, Harlan, Jackson, Johnson, Knott,  
 17 Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis,  
 18 Lincoln, McCreary, Madison, Magoffin, Martin, Menifee,  
 19 Monroe, Montgomery, Morgan, Owsley, Perry, Pike,  
 20 Powell, Pulaski, Rockcastle, Rowan, Russell, Wayne,  
 21 Whitley, and Wolfe;

22 In Maryland, the counties of Allegany, Garrett, and  
 23 Washington;

24 In North Carolina, the counties of Alexander, Alle-  
 25 ghany, Ashe, Avery, Buncombe, Burke, Caldwell,



1 Cherokee, Clay, Davie, Forsyth, Graham, Haywood,  
 2 Henderson, Jackson, McDowell, Macon, Madison,  
 3 Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Tran-  
 4 sylvania, Watauga, Wilkes, Yadkin, and Yancey;

5 In Ohio, the counties of Adams, Athens, Belmont,  
 6 Brown, Clermont, Gallia, Guernsey, Harrison, High-  
 7 land, Hocking, Jackson, Jefferson, Lawrence, Meigs,  
 8 Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross,  
 9 Scioto, Vinton, and Washington;

10 In Pennsylvania, the counties of Allegheny, Arm-  
 11 strong, Beaver, Bedford, Blair, Bradford, Butler,  
 12 Cambria, Cameron, Carbon, Centre, Clarion, Clear-  
 13 field, Clinton, Columbia, Crawford, Elk, Erie, Fayette,  
 14 Forest, Fulton, Greene, Huntingdon, Indiana, Jefferson,  
 15 Juniata, Lackawanna, Lawrence, Luzerne, Lycoming,  
 16 McKean, Mercer, Mifflin, Monroe, Montour, North-  
 17 umberland, Perry, Pike, Potter, Schuylkill, Snyder,  
 18 Somerset, Sullivan, Susquehanna, Tioga, Union,  
 19 Venango, Warren, Washington, Wayne, Westmoreland,  
 20 and Wyoming;

21 In South Carolina, the counties of Anderson, Chero-  
 22 kee, Greenville, Oconee, Pickens, and Spartanburg;

23 In Tennessee, the counties of Anderson, Bledsoe,  
 24 Blount, Bradley, Campbell, Carter, Claiborne, Clay,  
 25 Cocke, Coffee, Cumberland, De Kalb, Fentress,

1 Franklin, Grainger, Greene, Grundy, Hamblen,  
 2 Hamilton, Hancock, Hawkins, Jackson, Jefferson,  
 3 Johnson, Knox, Loudon, McMinn, Macon, Marion,  
 4 Meigs, Monroe, Morgan, Overton, Pickett, Polk, Put-  
 5 nam, Rhea, Roane, Scott, Sequatchie, Sevier, Smith,  
 6 Sullivan, Unicoi, Union, Van Buren, Warren, Wash-  
 7 ington, and White;

8 In Virginia, the counties of Alleghany, Bath, Bland,  
 9 Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd,  
 10 Giles, Grayson, Highland, Lee, Pulaski, Russell, Scott,  
 11 Smyth, Tazewell, Washington, Wise, and Wythe.

12 All the counties of West Virginia.

### 13 SEVERABILITY

14 SEC. 404. If any provision of this Act, or the applica-  
 15 bility thereof to any person or circumstance, is held invalid,  
 16 the remainder of this Act, and the application of such  
 17 provision to other persons or circumstances, shall not be  
 18 affected thereby.

### 19 TERMINATION

20 SEC. 405. This Act shall cease to be in effect on July 1,  
 21 1971.











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## A BILL

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To provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

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By Mr. RANDOLPH, Mr. COOPER, Mr. ANDERSON, Mr. BARLETT, Mr. BASS, Mr. BAYH, Mr. BREWSTER, Mr. BURDICK, Mr. BYRD of West Virginia, Mr. CLARK, Mr. DODD, Mr. DOUGLAS, Mr. GORE, Mr. GRUENTING, Mr. HART, Mr. HARTKE, Mr. INOUYE, Mr. JOHNSTON, Mr. KENNEDY of Massachusetts, Mr. MAGNUSON, Mr. MCCARTHY, Mr. MCGOVERN, Mr. MCNAMARA, Mr. METCALF, Mr. MONDALE, Mr. MORSE, Mr. MORTON, Mr. MOSS, Mr. NELSON, Mrs. NEUBERGER, Mr. PELL, Mr. RUBIOFF, Mr. SCOTT, Mr. TYDINGS, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, and Mr. YOUNG of Ohio

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JANUARY 6, 1965

Read twice and referred to the Committee on Public Works



Instead of equipping itself with an adequate number of experts and technicians to examine every detail of the appropriation requests submitted by executive branch agencies and departments, the Congress has been content to limp along without the staff assistance and fiscal data and information it requires. Thus, aside from the overburdened housekeeping staffs of the Senate and House Appropriations Committees, which cannot possibly make the kind of analysis of budget requests which is necessary in the time available, members of the Appropriations Committees are forced to rely upon the testimony of representatives of the executive branch who formulate the programs and present them in a light most favorable to their purposes. Furthermore, they usually tell us only as little or as much as they desire to disclose.

Accordingly, on January 19, 1950, I introduced a bill, S. 2898, which was similar, in many respect, to the pending bill. The committee studied the bill and revised it, but took no further action on it during the 81st Congress. Thereafter, the committee reported favorably, and the Senate passed, in the 82d, 83d, 84th, 85th, 87th, and 88th Congresses, virtually identical bills proposing the creation of a Joint Committee on the Budget. On each occasion, following Senate passage, the measure was permitted to die in the House of Representatives.

In each Congress, these bills were cosponsored by a substantial majority of the Members of the Senate. In the 85th Congress, 71 Members of a total of 96 cosponsored the measure; in the 87th Congress, there were 67 cosponsors; and in the 88th Congress, the bill had the largest number of sponsors it has ever had—77 Senators.

As majority leader in the Senate, President Johnson gave his active support to this proposed legislation, which passed the Senate unanimously in each of these Congresses. In his state of the Union message to the Congress on January 4, 1965, the President set out as a part of his national agenda, a proposal to "make an all-out campaign against waste and inefficiency." The President stated that he would submit special messages with detailed proposals for national action with this objective in mind. I know of no better way for the Congress to support the President's program for promoting economy and efficiency in Government than by the passage of this bill. It conforms specifically with his stated objective that "we will continue along the path toward a balanced budget in a balanced economy."

This bill is also in accord with the President's statement that wherever waste is found in Government, it will be eliminated. This legislation, if enacted into law, will aid the President in attaining this objective.

President Kennedy joined as a cosponsor of this proposed legislation, as a U.S. Senator, in the 85th Congress. President Eisenhower, on December 2, 1959, released a memorandum prepared by the Director of the Bureau of the

Budget setting forth proposals directed toward effecting improvements in budgeting, which included the proposal to create a Joint Committee on the Budget stating that its "objective is in line with the viewpoint expressed in the budget message," as a budget reform requiring congressional initiative and action. The proposal to create a Joint Committee on the Budget was also approved by Mr. Frederick Lawton, Director of the Bureau of the Budget in the Truman administration.

It appears perfectly clear that the conditions which prompted the introduction of this measure, in 1950, and its initial passage by the U.S. Senate, in 1952, have in no way diminished. On the contrary, they have increased with the rising cost of Government and the swelling of the national debt. We have only to compare our national expenditures budget of \$39.5 billion in fiscal year 1950, and \$65.3 billion in fiscal year 1952, with the fiscal year 1965 estimate of \$97.9 billion, to get the full impact of the current picture. If that is not sufficient, compare, if you will, our national debt of \$257.3 billion in 1950, and \$259.1 billion in 1952, with the \$312 billion which constituted our national debt as of June 30, 1964—an increase since June 30, 1952, of in excess of \$53 billion in the national debt alone.

An additional important factor to be considered in connection with this bill is the breakdown in our appropriations procedure which occurred during the 87th Congress, and which is a matter of the greatest concern to all of us. It is my firm conviction that if this bill had been enacted into law earlier, and the proposed joint committee had been in operation, this breakdown would not have occurred. I say this because I believe that the establishment of a Joint Committee on the Budget will be conducive to a better cooperation and a spirit of working in harmony between the two Appropriations Committees of the Congress. If we can have members of these committees working together, each receiving the same information, each using the same tools, and each relying on the technical advice and information furnished by a joint staff, they will be able to obtain more complete information and to evaluate more intelligently the budget requests made by the various agencies of Government. This, in turn, should go a long way toward removing the frictions and disagreements which have cropped up between the two bodies, from time to time, in connection with the appropriation process.

Mr. President, although the Senate has been endeavoring, for more than 14 years, to effect the necessary improvements in the fiscal operations of the legislative process, the House of Representatives has so far failed to act favorably on this proposal. I am convinced that a majority of the Members of that body are as much interested in correcting serious deficiencies in the appropriation procedures of the Congress as are Members of the Senate. This is evidenced by the fact that to my knowledge 26 Members of the House had introduced iden-

tical or similar bills when the staff of the Committee on Government Operations made a count of such bills early in the first session of the 88th Congress.

Mr. President, in closing, may I say that it is my sincere and fervent hope that this or a similar measure will be enacted into law at this session of the Congress. The American taxpayer has a very real and vital stake in this legislation. We should not fail him.

Mr. President, among the sponsors of the bill which I am introducing today are included all members of the Committee on Government Operations, which has reported this measure to the Senate in preceding Congresses. In view of the interest numerous other Senators have manifested in this proposed legislation, I ask unanimous consent that the bill may be held at the desk for 10 days, so that other Members of the Senate who may desire to do so may include their names as cosponsors.

The PRESIDENT pro tempore. Without objection, the bill will be held at the desk as requested; and will be appropriately referred.

The bill (S. 2) to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States, introduced by Mr. McCLELLAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Government Operations.

#### PUBLIC WORKS AND OTHER ECONOMIC DEVELOPMENT PROGRAMS

Mr. RANDOLPH. Mr. President, I introduce, for appropriate reference, a bill to provide public works and other economic development programs for the rehabilitation of the economy of the Appalachian region. I ask unanimous consent that the measure be held at the desk until the close of business on next Thursday, January 14, that other Senators may have the opportunity to join in sponsorship.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region introduced by Mr. RANDOLPH (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Public Works.

Mr. RANDOLPH. Mr. President, Members will recall that the Senate, on September 25, 1964, passed the Appalachian Regional Development Act of 1964 by a vote of 45 to 13. Unfortunately, during the closing days of the 88th Congress, the other body was unable to bring the legislation to a vote.

Since the adjournment of the 88th Congress President Johnson has repeatedly expressed his desire for early action on the Appalachian program by the 89th Congress, and has ranked this



bill among the highest priority measures of his legislative program.

I am gratified that our esteemed majority leader [Mr. MANSFIELD] concurred in this judgment on a "Meet the Press" telecast last Sunday evening, and expressed the conviction that this would be the first major legislation passed by the Senate in the 89th Congress.

Mr. President, during the adjournment I had occasion to visit a number of communities in the Appalachian region, in other States as well as the State of West Virginia. I found a deep-seated and continuing interest in this legislation which has already stimulated much thought and planning at the local and State levels. The people of Appalachia are anxious for the enactment of this program so that their region also may begin to move toward the great society which the President eloquently depicted in his state of the Union message.

Mr. President, in this connection, I invite attention to the fact that there are 35 Senators whose names are on the bill which I have presented to the Senate. I wish to make special reference to the cosponsorship of the eminent Senator from Kentucky [Mr. COOPER], who was most active in the development of this measure in the 88th Congress. I do this in a sense because sponsors of the measure come from all sections of the country and from both parties.

The measure is substantially the same bill passed by this body last year by a majority of more than three to one. I, therefore, endorse the view expressed by the majority leader that the bill should not require extensive hearings. It is my hope that the Committee on Public Works will conduct brief but adequate hearings, then complete committee action on the measure, and report it to the Senate before the end of January.

Mr. President, I ask unanimous consent that the bill lie at the desk for 5 days so that others who wish to do so may have an opportunity to join as cosponsors.

The PRESIDENT pro tempore. Without objection, the bill will lie at the desk, as requested by the Senator from West Virginia.

Mr. COOPER. Mr. President, I am glad to join my good friend, the distinguished senior Senator from West Virginia [Mr. RANDOLPH], in introducing the proposed Appalachian Regional Development Act of 1965—S. 3—which is similar to the bill we worked to develop in the last Congress, and which the Senate passed by a vote of 45 to 13 before adjournment.

The programs proposed in this bill represent the work of the Appalachian Governors, the work which we in the Senate began over 6 years ago, and the great interest which both President Kennedy and President Johnson have given to this region.

I have spoken often on this subject, for I know well the conditions in eastern Kentucky and throughout Appalachia. For some 175 years, my family has lived in this great region. The people are of pioneer stock and through many generations have been ever faithful to the needs of their country. The spirit of its people is high despite the unhappy and contin-

uing problem of unemployment. But the development program proposed in this bill is required if our communities are to build the facilities to encourage industry to use the great resources that exist in the region. Increased flood protection, new highways and airports, more health and education facilities, and increased efforts at land improvement are vital.

This bill, S. 3, which we introduced today, authorizes the same expenditure of \$1,077 million over a period of 5 years, stated in the bill which I was pleased to cosponsor with Senator RANDOLPH in the Senate last year. We are, though, proposing to increase the total authorized road system mileage from 2,850 to 3,350 miles across the region, including 1,000 miles of access roads instead of the figure of 500 miles in the bill last year. The \$840 million for highway construction, providing up to 70 percent as the Federal share, is a basic program in this legislation, for roads will open isolated areas in Kentucky and in other Appalachian States to industry, to tourism, and to a fuller life for the people of the area.

In addition to the increase in authorized road mileage, this bill would place greater responsibilities and authority on the States, and I am sure that this will be welcomed by the States. This emphasis on the approval of programs at the local and State level, along with the incentives for private investment, will do much both to close the economic gap between this section and other regions of the United States, and to raise the standards of living.

The Appalachian development program is the result of much study. It is directed to a great and evident need. If the Congress approves this program providing support for transportation and flood protection, as well as for education and community development, then the 15 million people living in the hills and valleys in the Appalachian regions of 11 States—including eastern Kentucky—can work to achieve the same levels of abundance that are found in most of America.

I am grateful to my friend from West Virginia for his work and for his kind words. I will join him in the Public Works Committee to secure the earliest possible hearings and to bring this bill before the Senate. I hope others will again join with us in support of this bill. It will benefit Appalachian States, but it will also benefit the Nation.

#### THE WATER QUALITY ACT OF 1965

Mr. MUSKIE. Mr. President, I introduce, for appropriate reference, a bill (S. 4) amending the Federal Water Pollution Control Act, as amended.

This legislation is, with two exceptions, identical to that which passed the Senate on October 16, 1963, and in which 21 Members of this body joined me as cosponsors. I would add that the legislation was approved by the Senate by a vote of 69 yeas and 11 nays, and of the 20 Members not voting, 15 announced themselves as favoring its passage. The House Public Works Committee reported an amended version during the closing days of the 88th Congress. However, no

further action was taken by the other body.

The bill which I am introducing is cosponsored by 25 of my colleagues, including all members of our Subcommittee on Air and Water Pollution. It is a bipartisan measure directed toward improving the quality of our water resources and making more effective our programs for the control and abatement of water pollution.

This proposal is consistent with and supports the objectives outlined by President Johnson in his state of the Union message, in which he called for an expanded conservation program as part of our effort to achieve the great society:

For over 3 centuries the beauty of America has sustained our spirit and has enlarged our vision. We must act now to protect this heritage. In a fruitful new partnership with the States and cities the next decade should be a conservation milestone.

We will seek legal power to prevent pollution of our air and water before it happens. We will step up our effort to control harmful wastes, giving just priority to the cleanup of our most contaminated rivers. We will increase research to learn much more about the control of pollution.

These objectives and approaches are reflected in S. 4.

As I mentioned previously, this legislation is, with two exceptions, identical to S. 649, as approved by this body October 16, 1963. The sections deleted were those relating to the control and abatement of pollution from Federal installations and the problem of nondegradable detergents.

The Federal installations section was eliminated from this bill because similar problems with respect to Federal installations are present in the field of air pollution, as well as water pollution. In addition, there were other matters relating to Federal activities in both fields which require separate and more complete consideration. Because of these factors it was decided to cover these matters in separate legislation which will be introduced within a week.

The detergents section was deleted because the members of the coal and detergent industry have reported changes in their schedules for supplying the market with detergents which will degrade more readily than those presently on the market. In view of this change in schedule, it is considered advisable to conduct additional hearings on the detergent problem to determine the type or need of corrective legislation.

S. 4 includes the following proposals which were contained in S. 649 as it passed the Senate in October 1963:

First. To establish an additional position of Assistant Secretary of Health, Education, and Welfare to help the Secretary to administer the Federal Water Pollution Control Act.

Second. To create a Federal Water Pollution Control Administration to administer sections 3, comprehensive programs; 4, interstate cooperation and uniform laws; 10, enforcement measures; and 11, to control pollution from Federal installations.

Third. To authorize appropriations for fiscal year ending June 30, 1965, and for 3 succeeding fiscal years in the









# Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official business

Postage and fees paid

U. S. Department of Agriculture

Issued January 18, 1965

For actions of January 15, 1965

89th-1st; No. 10

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**HIGHLIGHTS:** Sen. McGovern inserted article commending administration of wheat certificate program. Sen. McGovern inserted National Grange release warning against any decrease in farm income. Sen. Aiken introduced and discussed bill to aid in development of rural water systems. Sen. Lausche introduced and discussed bill to make more specific purpose of REA loans and modify provisions re interest rates. Sens. Neuberger and Magnuson introduced and discussed bills to regulate labeling of cigarettes. Sen. Muskie introduced and discussed bill to improve administration of grants-in-aid programs. Sen. Muskie introduced and discussed water pollution control bill.

### SENATE

1. **FOREIGN AID.** Received the President's message on foreign aid (H. Doc. 53) (pp. 676-8). Sen. Morse expressed disappointment over the message (pp. 735-6). Sens. Cooper and Clark commended the message (pp. 769-70, 785-6).

2. WHEAT. Sen. McGovern inserted an article commending administration of the wheat certificate program by ASCS. pp. 749-50
3. FARM INCOME. Sen. McGovern inserted a National Grange release warning against any decrease in farm prices and farm income. p. 749
4. IMMIGRATION. Received the President's message on immigration (H. Doc. 52). pp. 671-6.
5. CONSERVATION PAYMENTS. Received from this Department a proposed bill to modify the provision for small payment increases under the Agricultural Conservation Program so as to give particular consideration to the conservation requirements of small family farms; to Agriculture and Forestry Committee. p. 679
6. DISASTER RELIEF. Sen. Neuberger inserted a letter from the Office of Emergency Planning reviewing actions taken by the Federal Government, including this Department, to provide relief as a result of flood damage in the West. pp. 738-9
7. FOOD MARKETING. Sen. Boggs inserted an article by the chairman of General Foods Corp. defending present food marketing practices and contending "that laws now on the books effectively safeguard the purity of food products and control the information printed on food-container labels." pp. 736-8
8. POULTRY. Sen. McClellan commended the awarding of an "E" Award by this Department to the Plus Poultry, Inc., company of Siloam Springs, Ark., for developing export markets for U. S. poultry. p. 734
9. APPALACHIA. Sen. Hart (for himself, and Sens. Nelson, McCarthy, and Mondale) submitted an amendment intended to be proposed to S. 3, the Appalachia bill. p. 729
10. COMMITTEE ASSIGNMENTS. Agreed to S. Res. 27, assigning minority members to various committees, including the following: Agriculture and Forestry: Sens. Aiken, Young, Cooper, Boggs, and Miller; Appropriations: Sens. Saltonstall, Young, Mundt, Smith, Kuchel, Hruska, Allott, Cotton, and Case; Interior and Insular Affairs; Sens. Kuchel, Allott, Jordan (Ida.), Simpson, and Fannin. p. 680
11. FINANCES. Received from Treasury a statement of receipts, expenditures, and balances of the Federal Government for fiscal year 1964. p. 679
12. RESEARCH; PEST CONTROL. Received from GAO a report on "weaknesses and problem areas" in the administration of the imported fire ant eradication program, ARS, USDA. p. 679
13. FOREIGN AFFAIRS. The Foreign Relations Committee reported an original resolution authorizing the Foreign Relations Committee to examine and study the foreign policies of the U. S. (S. Rept. 4). p. 680
14. DEFENSE MOBILIZATION. Received the annual report of the Joint Committee on Defense Production, with material on mobilization from departments and agencies. p. 680





1 At the end of the bill add the following new chapter:

2 “CHAPTER 2—UPPER GREAT LAKES REGIONAL  
3 DEVELOPMENT

4 "TITLE V—SHORT TITLE AND STATEMENT OF PURPOSE

5 "SHORT TITLE

6       “SEC. 501. This chapter may be cited as the ‘Upper  
7   Great Lakes Regional Development Act of 1965’.

8 "FINDINGS AND STATEMENT OF PURPOSE

9 "SEC. 502. As a result of changes in the nature of its  
10 resource base and changing requirements of the national  
11 economy, the Upper Great Lakes Region of the United  
12 States lags behind the Nation in its economic growth, and  
13 its people have not shared properly in the Nation's prosper-  
14 ity. The region's historical reliance on the extractive indus-  
15 tries of metals mining and lumbering has resulted in depletion  
16 of its high grade natural resources, and it has not found the  
17 means to adapt fully to the exploitation of its lower grade  
18 resources. Upgrading the human and natural resources and  
19 their uses, and development of the region's recreation poten-  
20 tial are prerequisites for vigorous and self-sustaining growth.  
21 Such a needed revitalization can come only through extensive  
22 participation by State and local authorities along with the  
23 Federal Government in implementing development programs  
24 tailored to the needs and resources of the region. Congress  
25 recognizes that a large body of research by Federal, State,



1 and private organizations has established the feasibility, the  
2 desirability, and the urgent need for regionwide development.  
3 It is, therefore, the purpose of this chapter to assist the  
4 region in meeting its special problems, to promote economic  
5 development, and to establish a framework for joint Federal  
6 and State efforts toward making the adaptations and advances  
7 essential to growth on a coordinated and concerted basis.  
8 As the region obtains the needed technologies and infrastruc-  
9 ture and the requisite human resources to guide and operate  
10 its new activities, Congress expects that the region will then  
11 be able to participate more effectively in the national free  
12 enterprise economy.

13 "TITLE VI—THE UPPER GREAT LAKES DEVELOPMENT  
14 AUTHORITY

15 "MEMBERSHIP AND VOTING

16 "SEC. 601. (a) The Upper Great Lakes Development  
17 Authority (referred to as the 'Authority') shall be com-  
18 posed of seven members, four appointed by the President, by  
19 and with the advice and consent of the Senate, and three  
20 appointed by the Governors of the States, one from each  
21 participating State. No member of the Authority shall be  
22 the holder of a full-time public office in either State or Federal  
23 Government. Of the Presidential appointments, one shall be  
24 made from each of the participating States; the fourth shall

1 be at the discretion of the President and shall serve as Chair-  
2 man and full-time executive officer of the Authority.

3 “(b) Decisions by the Authority, unless delegated to  
4 the Chairman, shall require the affirmative vote of the  
5 Chairman and three others.

6 “(c) The Chairman shall be compensated at the rate  
7 prescribed for level IV of the Federal Executive Salary  
8 Schedule established by the Federal Executive Salary Act  
9 of 1964. There shall be a Deputy Chairman appointed by  
10 the Chairman with the approval of the Authority, who  
11 shall serve as his alternate and who shall be compensated  
12 at the rate prescribed for grade 18 of the General Schedule  
13 of the Classification Act of 1949, and when not serving as  
14 an alternate for the Chairman shall perform such duties as  
15 are delegated to him by the Chairman. Other members of  
16 the Authority shall receive compensation at a rate of \$75  
17 per diem for each day on which they are engaged in the  
18 performance of duties of the Authority, and shall be reim-  
19 bursed by the Authority for travel, subsistence, and other  
20 necessary expenses incurred by them in the performance of  
21 such duties.

22 “FUNCTIONS OF THE AUTHORITY

23 “SEC. 602. In carrying out the purposes of this chapter  
24 the Authority shall—

25 “(1) develop, on a continuing basis, comprehensive



1 and coordinated plans and programs, including those  
2 for land use and public works, and establish priorities  
3 thereunder, giving due consideration to other Federal,  
4 State, and local planning in the region;

5 “(2) conduct and sponsor investigations, research,  
6 and studies, including where necessary, inventory and  
7 analysis of the resources of the region, and, in coopera-  
8 tion with Federal, State, and local agencies, sponsor  
9 demonstration projects designed to foster regional pro-  
10 ductivity and growth;

11 “(3) review and study, in cooperation with the  
12 agency involved, Federal, State, and local public and  
13 private programs and, where appropriate, recommend  
14 modifications or additions which will increase their effec-  
15 tiveness in the region and assist in their financing;

16 “(4) formulate and recommend, where appropri-  
17 ate, interstate compacts and other forms of interstate  
18 cooperation, and work with State and local agencies  
19 in developing appropriate model legislation;

20 “(5) support existing local development districts  
21 and encourage their formation where needed by pro-  
22 viding technical assistance and participating in the  
23 financing of professional staff and administration;

24 “(6) encourage private investment in industrial,  
25 commercial, and recreational projects;

1           “(7) serve as a focal point and coordinating unit  
2 for Federal, State, and local programs in the region;

3           “(8) provide a forum for consideration of prob-  
4 lems of the region and proposed solutions and establish  
5 and utilize, as appropriate, citizens and special advisory  
6 councils and public conferences; and

7           “(9) formulate for the Congress a program of  
8 development projects with proposals for Federal par-  
9 ticipation in their funding.

10           “ADMINISTRATIVE POWERS OF THE AUTHORITY

11           “SEC. 603. To carry out its duties under this chapter,  
12 the Authority is authorized to—

13           “(1) adopt, amend, and repeal bylaws, rules, and  
14 regulations governing the conduct of its business and  
15 the performance of its functions;

16           “(2) appoint and fix the compensation of such  
17 personnel as may be necessary to enable the Authority  
18 to carry out its functions, in accordance with the civil  
19 service laws and the Classification Act of 1949;

20           “(3) request the head of any Federal department  
21 or agency (who is hereby so authorized) to detail to  
22 temporary duty with the Authority such personnel  
23 within his administrative jurisdiction as the Authority



1 may need for carrying out its functions, each such  
2 detail to be without loss of seniority, pay, or other  
3 employee status;

4 “(4) arrange for the services of personnel from  
5 any State or local government or any subdivision or  
6 agency thereof, or any intergovernmental agency;

7 “(5) accept, use, and dispose of gifts or donations  
8 of services or property, real, personal, or mixed, tangi-  
9 ble or intangible;

10 “(6) enter into and perform such contracts, leases,  
11 cooperative agreements, or other transactions as may be  
12 necessary in carrying out its functions and on such terms  
13 as it may deem appropriate, with any department, agen-  
14 cy, or instrumentality of the United States or with any  
15 State, or any political subdivision, agency, or instru-  
16 mentality thereof, or with any person, firm, association,  
17 or corporation;

18 “(7) establish a permanent office at such location  
19 as it may select and field offices at such other places as  
20 it may deem appropriate; and

21 “(8) take such other actions and incur such other  
22 expenses as may be necessary or appropriate.

1 "TITLE VII—SPECIAL PROGRAMS FOR UPPER GREAT  
2 LAKES REGION

3 "NATURAL RESOURCE DEVELOPMENT

4 "SEC. 701. (a) In order to promote the conservation  
5 and fuller utilization of the natural resources of the region,  
6 the Authority is authorized to contract with or make grants  
7 to any department, agency, or instrumentality of the United  
8 States, any State or political subdivision, agency or instru-  
9 mentality thereof, any public or private educational insti-  
10 tution or any private research organization to carry on basic  
11 and applied research on improving techniques for extracting,  
12 processing, transporting, and marketing of such resources.

13 "(b) Not to exceed \$3,000,000 of the funds authorized  
14 in section 801 of this chapter shall be available to carry out  
15 this section.

16 "TRAINING ASSISTANCE

17 "SEC. 702. (a) In order to assure continuing and  
18 orderly planning and implementation of economic develop-  
19 ment programs within the region, the Authority is author-  
20 ized to award fellowships for graduate study in resource  
21 development, industrial development, community develop-  
22 ment, area economic planning, economic and physical plan-  
23 ning, and such other areas of study as the Authority deter-  
24 mines will carry out the purposes of this chapter.

25 "(b) Not to exceed \$500,000 of the funds authorized



1 in section 801 of this chapter shall be available to carry out  
2 this section.

3 “RECREATIONAL DEVELOPMENT: LAKE SUPERIOR SCENIC  
4 HIGHWAY

5 “SEC. 703. (a) In order to develop and coordinate the  
6 recreational resources of the region, the Authority, in coop-  
7 eration with the Secretary of Commerce, shall prepare  
8 detailed plans for a scenic highway in the region to be known  
9 as the Lake Superior Scenic Highway. Such plans shall  
10 include land use planning in the impact areas of the highway  
11 with emphasis on sites for recreational development and  
12 provisions for the control over the use of such sites.

13 “(b) Not to exceed \$2,000,000 of the funds authorized  
14 in section 801 of this chapter shall be available to carry out  
15 this section, of which 10 per centum shall be available for  
16 the land use planning referred to in subsection (a) of this  
17 section.

18 “LOCAL DEVELOPMENT DISTRICTS: CERTIFICATION,  
19 FINANCIAL ASSISTANCE

20 “SEC. 704. (a) For the purpose of this chapter, a ‘local  
21 development district’ shall be an entity certified to the  
22 Authority either by the Governor of the State or States in  
23 which such entity is located, or by the State officer desig-  
24 nated by the appropriate State law to make such certifica-  
25 tion, as having a charter or authority that includes the eco-

1 nomic development of counties or parts of counties or other  
2 political subdivisions within the region. No entity shall be  
3 certified as a local development district for the purposes of  
4 this Act unless it is one of the following:

5 “(1) A nonprofit incorporated body organized or  
6 chartered under the law of the State in which it is located;

7 “(2) A nonprofit agency or instrumentality of a State  
8 or local government;

9 “(3) A nonprofit agency or instrumentality created  
10 through an interstate compact; or

11 “(4) A nonprofit association or combination of such  
12 bodies, agencies, and instrumentalities.

13 “(b) The Authority is authorized to make grants to  
14 certified local development districts for the costs of technical  
15 staff and consultant assistance to such districts. The amount  
16 of any such grant shall not exceed 90 per centum of such  
17 costs in any one fiscal year. The Authority may delegate  
18 staff members to assist certified local development districts to  
19 prepare requests for grants under this section.

20 “(c) Not to exceed \$2,000,000 of the funds authorized  
21 in section 801 of this chapter shall be available to carry out  
22 this section.



1 "TITLE VIII—MISCELLANEOUS

2 "AUTHORIZATION OF APPROPRIATIONS

3 "SEC. 801. There is hereby authorized to be appropri-  
4 ated for the period ending June 30, 1966, not to exceed  
5 \$10,000,000 to carry out this chapter, and for fiscal years  
6 thereafter such amounts as the Congress shall hereafter  
7 authorize.

8 "ANNUAL REPORT

9 "SEC. 802. Not later than six months after the close of  
10 each fiscal year, the Authority shall prepare and submit to  
11 the Governor of each State in the region and to the President,  
12 for transmittal to the Congress, a report on the activities  
13 carried out under this chapter during such year.

14 "CONSENT OF STATES

15 "SEC. 803. Nothing contained in this chapter shall be  
16 interpreted as requiring any State to engage in or accept any  
17 program under this chapter without its consent.

18 "DEFINITION OF UPPER GREAT LAKES REGION

19 "SEC. 804. As used in this chapter, the term 'Upper  
20 Great Lakes region' or the 'region' means that area of the  
21 midwestern United States consisting of the following counties

1 (including any political subdivision located within such  
2 area) :

3        “In Minnesota—Aitkin, Beltrami, Carlton, Cass, Clear-  
4 water, Cook, Crow Wing, Hubbard, Itasca, Koochiching,  
5 Lake, Lake of the Woods, Pine, Roseau, St. Louis, and  
6 Wadena;

7        “In Wisconsin—Ashland, Bayfield, Burnett, Douglas,  
8 Florence, Forest, Iron, Langlade, Lincoln, Marinette, Meno-  
9 minee, Oconto, Oneida, Price, Rusk, Sawyer, Taylor, Vilas,  
10 and Washburn;

11        “In Michigan—Alcona, Alger, Alpena, Antrim, Arenac,  
12 Baraga, Benzie, Charlevoix, Cheboygan, Chippewa, Clare,  
13 Crawford, Delta, Dickinson, Emmet, Gladwin, Gogebic,  
14 Grand Traverse, Houghton, Iosco, Iron, Kalkaska, Kewee-  
15 naw, Lake, Leelanau, Luce, Mackinac, Manistee, Marquette,  
16 Mason, Mecosta, Menominee, Missaukee, Montmorency,  
17 Newaygo, Oceana, Ogemaw, Ontonagon, Osceola, Oscoda,  
18 Otsego, Presque Isle, Roscommon, Schoolcraft, and Wex-  
19 ford.”

Amend the title so as to read: “A bill to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian Region and to provide the planning and coordination needed to assist the economic development of the Upper Great Lakes region.”











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## AMENDMENTS

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Intended to be proposed by Mr. HART (for himself, Mr. McCARTHY, Mr. MONDARE, and Mr. NELSON) to S. 3, a bill to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

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JANUARY 15, 1965

Referred to the Committee on Public Works and  
ordered to be printed









# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official business

Postage and fees paid

U. S. Department of Agriculture

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued January 21, 1965

For actions of January 19, 20, 1965  
89th-1st; No. 12  
and 13

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HIGHLIGHTS: House received supplemental appropriation estimate for USDA. Sen. Nelson submitted amendment to Appalachia bill to extend program to other regions. Sen. McGovern and others introduced and Sen. McGovern discussed wheat bill. Rep. Anderson defended the work of the Select Committee on Government Research.

### SENATE - Jan. 19

1. APPALACHIA; ECONOMIC DEVELOPMENT. Sen. Nelson submitted an amendment intended to be proposed to S. 3, to provide public works and economic development programs in the Appalachian region, and stated that the amendment "is designed to authorize immediate planning for up to six other regions in the country with problems similar to those of Appalachia." He stated that in addition to the upper Great Lakes area, the proposed program could possibly be extended to the Ozarks; the northwestern mountain regions; the upper New England area; the desert high plateau corner of Utah, Colorado, New Mexico, and Arizona; and parts of the Deep South. pp. 886-7

Sens. Gore, Mondale, and Yarborough were added as cosponsors of of S. 3, the Appalachia bill. p. 887

2. PUBLIC WORKS. Sens. Hartke and Yarborough were added as cosponsors of S. 110 to increase the appropriation authorization to carry out the provisions of the Public Works Acceleration Act. p. 887
3. NATIONAL DEFENSE. Received the President's message on national defense (H. Doc. 54). pp. 849-53
4. PROPERTY. Received from GSA a proposed bill "to amend the Federal Property and Administrative Services Act of 1949, to make title III thereof directly applicable to procurement of property and nonpersonal services by executive agencies"; to Government Operations Committee. p. 853
5. RECLAMATION. Sen. Young, N. Dak., inserted and endorsed a N. Dak. Legislature resolution favoring reauthorization of the Garrison diversion irrigation project. pp. 888-9
6. AREA REDEVELOPMENT. Sen. Byrd, W. VA., commended the service of former Secretary of Commerce Hodges and his support of the area redevelopment program. p. 902

HOUSE - Jan. 19

7. APPROPRIATIONS: Received from the President proposed supplemental appropriations for the fiscal year 1965 for the Department of Agriculture as follows:

Commodity Credit Corporation:

Reimbursement for net realized losses ..... \$1,180,853,000

Public Law 480:

Sale of surplus agricultural commodities  
for foreign currencies (Title I) ..... 273,000,000

Long-term supply contracts (Title IV) ..... 233,400,000

International Wheat Agreement ..... 54,956,000

Total ..... \$1,742,209,000

The proposed supplemental appropriations are to reimburse the Commodity Credit Corporation for net realized losses sustained in the fiscal years 1962 and 1963 and for estimated costs incurred through 1965 under P.L. 480 and the International Wheat Agreement. (H. Doc. 59) p. 953

8. FOREIGN AID. Rep. Martin, Ala., criticized the President's foreign aid message and stated "it is not fair to the people...to present budget requests in terms of juggled figures and statements which makes us believe we are spending less money when the fact is we are spending more." p. 928
9. FOREIGN TRADE. Rep. Adams submitted a bill which he asked be substituted for the text of the bill which was included in his remarks at the time he introduced H. R. 3028, to provide for an Export Expansion Act of 1965. pp. 923-5
10. WATER POLLUTION. Rep. Fraser inserted a speech by Sen. Nelson which he called "an eloquent appeal for conservation of our river resources." pp. 949-51



# S. 3

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IN THE SENATE OF THE UNITED STATES

JANUARY 19, 1965

Referred to the Committee on Public Works and ordered to be printed

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## AMENDMENTS

Intended to be proposed by Mr. NELSON to S. 3, a bill to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region, viz:

1       On page 1, strike out lines 3 and 4 and insert in lieu  
2 thereof the following:

3       “CHAPTER 1—APPALACHIAN REGIONAL  
4                               DEVELOPMENT

5                               “SHORT TITLE

6       “SECTION 1. This chapter may be cited as the ‘Appa-  
7 lachian Regional Development Act of 1965’, and all refer-  
8 ences in this chapter to this Act shall be held to refer to this  
9 chapter.”

10       At the end of the bill add the following new chapter:

**Amdt. No. 2**

1       “CHAPTER 2—REGIONAL ACTION PLANNING

2       “TITLE V—REGIONAL ACTION PLANNING ACT OF 1965

3                               “SHORT TITLE

4       “SEC. 501. This chapter may be cited as the ‘Regional  
5   Action Planning Act of 1965’.

6                               “STATEMENT OF PURPOSE

7       “SEC. 502. The Congress recognizes that many regions  
8   of the country, while abundant in natural resources and rich  
9   in potential, lag behind the Nation in economic growth so  
10   that the people of such regions have not shared properly in  
11   the Nation’s prosperity. Often a region’s uneven past devel-  
12   opment, with historical reliance on a few basic industries and  
13   marginal agriculture, have failed to provide the economic  
14   base vital as a prerequisite for vigorous self-sustaining growth.  
15   In some cases the uneven distribution of productive Federal  
16   expenditures has left regions at a comparative disadvantage.  
17   Nonetheless, in many areas of the country the State and local  
18   governments and the people of the region understand their  
19   problems and have been and are prepared to work purpose-  
20   fully toward their solution. It is the purpose of this chapter  
21   to assist such regions in meeting their special problems and  
22   promoting their economic development by helping to develop  
23   policies and programs for Federal, State, and local efforts  
24   essential to an attack upon common problems through a  
25   coordinated and concerted regional approach.



1           “REGIONAL ACTION PLAN ADMINISTRATOR

2           “SEC. 503. (a) The provisions of this chapter shall be  
3 administered by a Regional Action Plan Administrator  
4 (hereinafter referred to as the ‘Administrator’) in the Execu-  
5 tive Office of the President. The Administrator shall be  
6 appointed by and with the advice and consent of the Senate  
7 and shall be compensated at the rate provided for level IV of  
8 the Federal Executive Salary Schedule.

9           “(b) The Administrator may, subject to the civil service  
10 and classification laws, appoint and fix the compensation of  
11 such officers and employees as may be necessary to carry out  
12 the provisions of this chapter.

13           “DETERMINATION OF REGIONS

14           “SEC. 504. (a) The Administrator shall designate areas  
15 representing two or more contiguous States as a region for  
16 Federal-regional action planning pursuant to this chapter  
17 upon determining that—

18           “(1) such region lags substantially behind the rest  
19 of the Nation in its economic growth, and its people  
20 have not shared properly in the Nation’s prosperity;

21           “(2) such region’s uneven past development has  
22 failed to provide the economic base that is a vital pre-  
23 requisite for vigorous, self-sustaining growth;

24           “(3) State and local governments and the people  
25 of the region understand their problems and have been

1       and are prepared to work purposely toward their solu-  
2       tion; and

3           “(4) regionwide development is feasible, desirable,  
4       and urgently needed.

5       “(b) The Administrator may designate not to exceed  
6       six regions pursuant to subsection (a).

7       “(c) The Administrator shall assign an appropriate  
8       department or agency of the Federal Government the re-  
9       sponsibility for developing a Federal-regional action plan  
10      pursuant to this chapter for each region established pursuant  
11      to subsection (a). Such plan shall be developed with the  
12      participation of other Federal departments and agencies  
13      which in the Administrator’s opinion can make a substantial  
14      contribution, and with representatives from each State  
15      involved.

16      “(d) The Administrator shall review economic informa-  
17      tion relating to the various regions of the Nation so as to  
18      determine the relative position of such regions, as compared  
19      with the rest of the Nation, in terms of unemployment, un-  
20      deremployment, outmigration, rate of economic growth, per-  
21      centage of the population receiving welfare payments, family  
22      income, and such other economic indices he deems relevant  
23      to the purpose of this chapter.



## “PLANNING ASSISTANCE

“SEC. 505. (a) The Administrator may make grants to any department or agency assigned pursuant to section 504 (c) for the development of a Federal-regional action plan which is consistent with the purpose of this chapter and will—

“(1) be completed prior to the date which is one and one-half years after the date of enactment of this Act;

“(2) provide for the development, on a continuing basis, of comprehensive and coordinated plans and programs for the region, including plans for land and other natural resource use and public works, and establish priorities thereunder, with due consideration to other Federal, State, and local planning in the region;

“(3) provide for investigations, research, and studies, including where necessary inventory and analysis of the resources of the region, and in cooperation with Federal, State, and local agencies provide for demonstration projects designed to foster regional productivity and growth;

“(4) provide for the review and study in coopera-

1       tion with the agency involved of Federal, State, and  
2       local public and private programs and, where appropri-  
3       ate, the recommendation of modifications or additions  
4       which will increase the effectiveness of such programs  
5       and assist in their financing;

6           “(5) provide assistance in the formulation of neces-  
7       sary and helpful State and local laws and, where appro-  
8       priate, interstate compacts, and make recommendations  
9       for other forms of interstate cooperation;

10          “(6) provide for the support of existing local de-  
11       velopment districts and encourage the formation of such  
12       districts where needed by providing technical assistance  
13       and assistance in the financing of a professional staff and  
14       administration;

15          “(7) provide for the encouragement of private in-  
16       vestment in industrial, commercial, and recreational  
17       projects;

18          “(8) provide a forum for consideration of problems  
19       of the region and proposed solutions and provide for  
20       the establishment and utilization, as appropriate, of  
21       citizens and other special advisory councils and public  
22       conferences;

23          “(9) provide for the formulation and recommenda-  
24       tion to the Congress of a program of development proj-



ects with proposals for Federal participation in their  
funding; and

“(10) provide that all such activities will be carried out by or through a single agency which will serve as a focal point and coordinating unit for Federal, State, and local programs in the region.

“(b) As a condition to making any grant pursuant to this chapter, the Administrator may require the making of such reports, in such form and containing such information, as he determines necessary to carry out his functions under this chapter. He may also require the keeping of such records and the affording of such access thereto as is necessary to verify such reports.

“(c) No grants pursuant to this chapter shall be made for the development of a plan for any one region in excess of a total of \$2,500,000.

#### “GENERAL AUTHORITY

“SEC. 506. Any department or agency assigned the development of a Federal-regional action plan pursuant to this chapter may for the purpose of such development—

“(1) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency, and pay for the same; and

“(2) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

#### “FEDERAL PERSONNEL ASSISTANCE

“SEC. 507. At the request of any department or agency developing a plan pursuant to this chapter, the head of any other department or agency may detail to temporary duty, on a reimbursable basis, with such agency such personnel within his administrative jurisdiction as such agency may need in developing such plan. Such temporary duty shall be without loss of seniority, pay, or other employee status.

#### “REPORT

“SEC. 508. Not later than six months after the completion of any Federal-regional action plan pursuant to section 505, the department or agency developing such plan shall prepare and submit to the Governor of each State in such region and to the President, for transmittal to the Congress, a report on such plan.

#### “CONSENT OF STATES

“SEC. 509. Nothing contained in this chapter shall be



1 interpreted as requiring any State to engage in or accept  
2 any program under this chapter without its consent.

3 “APPROPRIATIONS AUTHORIZED

4 “SEC. 510. There is authorized to be appropriated not  
5 to exceed \$10,000,000 to carry out the provisions of this  
6 chapter.”







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## **AMENDMENTS**

---

Intended to be proposed by Mr. NELSON to S. 3,  
a bill to provide public works and economic  
development programs and the planning and  
coordination needed to assist in the develop-  
ment of the Appalachian region.

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JANUARY 19, 1965

Referred to the Committee on Public Works and  
ordered to be printed



be greatly increased. Continuing research will undoubtedly reveal many further new opportunities.

So far as the domestic market is concerned, if our fishermen, through research and engineering, can recapture the share of the market lost to imports during the past decade and a half by cutting their production costs, an annual market for nearly 800,000 tons of edible fish, and a similar amount of industrial fish, would be provided.

Additional markets exist in other countries, if prices are competitive. The world's burgeoning population increased consumption of fishery products should assure a market in the foreseeable future.

Referring again to the feasibility of doubling U.S. domestic fisheries and quadrupling U.S. fisheries overseas, the report adds this note of counsel and warning:

However, this growth rate cannot be established or maintained, unless oceanic investigations are conducted on a worldwide basis to find: (1) how the locations and sizes of the fish population vary with changing conditions in the sea; (2) the ocean conditions that bring about economically catchable fish concentrations; and (3) those aspects of behavior that can be exploited to reduce the costs of catching the fish.

Within 10 years, the fisheries section of the Academy report concludes, "the addition to the gross national product from increased fisheries-oriented oceanic research can be in the neighborhood of \$2 billion a year."

The fisheries section of the report, the Academy of Sciences advises, was prepared by Dr. Milner B. Schaefer, chairman of the Academy's Committee on Oceanography, director of the Institute of Marine Resources, University of California and, I am proud to state, an alumnus of the University of Washington.

It would be a small investment toward eliminating poverty in many communities dependent on commercial fisheries, and among thousands of citizens whose only source of livelihood are the living creatures of the seas, our bays and estuaries, and our lakes and streams.

Enactment of this joint resolution will be one achievement, in my opinion, in our national war on poverty.

I ask unanimous consent that the joint resolution be held at the desk through January 27, 1965, for additional cosponsors.

Mr. President, for the benefit of Members of the Senate who were not with us last fall when the Senate joint resolution was passed by unanimous consent, I ask unanimous consent that there may be appended to my remarks a summary of the joint resolution proposing this survey.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the summary will be printed in the RECORD, and the joint resolution will be held at the desk, as requested by the Senator from Washington.

The joint resolution (S.J. Res 29) to authorize and direct the Bureau of Commercial Fisheries to conduct a survey of the marine and fresh-water commercial fishery resources of the United States, its territories, and possessions introduced by Mr. MAGNUSON, was received, read twice by its title, and referred to the Committee on Commerce.

The summary presented by Mr. MAGNUSON is as follows:

#### SUMMARY OF RESOLUTION

This resolution would authorize and direct the Bureau of Commercial Fisheries to conduct a survey of the character, extent, and condition of the marine and fresh-water commercial fishery resources, both present and potential, of the United States, its territories and possessions; the economic status and organization of the industry; the economic, legal and other institutional handicaps to industrial development and conservation of fishery resources; the effects thereon of existing conventions and treaties relating to the living marine resources of the high seas, and the nutritive and industry values of fishery products and byproducts affecting or potentially affecting the industry and its economy.

The survey also would include, but not be limited to:

(1) The current methods, practices, facilities, gear, craft, and equipment used in producing commercial fishery products.

(2) The accretion or depletion of the various species and stocks resulting from the methods, practices, facilities and equipment used in their production, not only by the fishery industry of the United States, but by other nations fishing in waters contiguous to the United States.

(3) The accretion or depletion resulting from agreements, conventions, or treaties with other nations, or with the indigenous inhabitants of this country.

(4) The methods, practices, facilities, and equipment used in processing, preserving, distributing, transporting, marketing and storing fishery products, including an assessment of measures existing or in the process of development for their augmented protection or preservation, among the latter the recent program for radiation-pasteurization of fishery products.

(5) Methods, practices, facilities, and equipment which may be practicable for expanding the utilization of existing or potential marine and fresh-water commercial fishery resources.

(6) Laws and regulations that govern the commercial fisheries.

The Bureau is directed in the joint resolution to submit a report to Congress as soon as practicable, but not later than January 1, 1968, on the results of the survey, and to make specific recommendations based on its survey findings.

Recommendations requested include:

(a) New and improved methods of capturing, landing, processing, storing, distributing and marketing fishery products.

(b) New and improved methods of increasing consumption as food and increasing industrial utilization of fishery products through public education, such recommendations to contemplate the full and co-operative use of personnel and facilities of State, territorial, county, local, and other public bodies, and of private, industrial, or other organizations.

(c) A program of economic stabilization of the fisheries, and for the orderly development and expansion of the commercial fisheries and allied industries.

(d) New and improved methods of stimulating and encouraging exports of U.S. fishery products and commodities.

(e) Advisability and opportunities for further international agreements, conventions, or treaties for the conservation of fishery resources of the high seas.

(f) Opportunities for coordinating fishery administration and management through State fishery compacts with the consent of Congress as authorized by article 1, section 10, of the Constitution of the United States.

(g) Special and regular appropriations necessary to carry out a program for the optimum utilization of our marine and fresh-water commercial fishery resources.

#### PROPOSED AMENDMENT TO THE CONSTITUTION RELATIVE TO BALANCING THE BUDGET

Mr. CURTIS. Mr. President, I send to the desk a joint resolution and ask that it be appropriately referred.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 30) proposing an amendment to the Constitution of the United States relative to the balancing of the budget, introduced by Mr. CURTIS (for himself and Mr. BYRD of Virginia), was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. CURTIS. Mr. President, for several years I have endeavored, together with a number of like-minded colleagues, to secure the approval of Congress to propose to the States a constitutional amendment designed to put an end to deficit financing by the Federal Government and, eventually, to restore order in our Government's fiscal affairs.

I am today again proposing this amendment, and am pleased to be joined in this effort by the distinguished senior Senator from Virginia [Mr. BYRD]. I ask unanimous consent that the joint resolution remain at the desk for 1 week for additional cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, I am happy to add the name of the distinguished Senator from Ohio [Mr. LAUSCHE] as a cosponsor.

Mr. President, if made a part of our Constitution, this proposal would require that the Federal Government operate on a pay-as-you-go basis. It would further require the reduction of our national debt by at least a half-billion dollars a year.

The amendment would provide that Congress could not adjourn until provision had been made for a balanced budget and for the minimum payment on the national debt during the ensuing fiscal year.

The proposal does provide that, in case of war or other grave national emergency, the Congress may, by a three-fourths vote, follow a recommendation by the President to suspend the amendment's provisions for a year at a time.

The amendment would not become operative unless ratified by three-fourths of the States within 7 years of its submission to the States.

That, Mr. President, is the substance of our proposal. It is identical with Senate Joint Resolution 29 of the 88th Congress, and it is similar in its objective to proposals which have been before this body during the past several Congresses.

Mr. President, the rank and file of our citizens bear the great burden of our tax load. It falls directly and indirectly upon the workers, the farmers, the small businessmen and white-collar people. Those of small- and middle-bracket incomes make up the large bulk of our taxpayers—and they pay the largest share of our taxes, both directly and indirectly. What I am saying, Mr. President, is that the burden is borne in most part by young people trying to get started in life, by farmers and businessmen and workers



who are buying homes, educating children, trying to acquire the means for a better life for themselves and their families.

They are the ones, Mr. President, who are being dealt the greatest blow by runaway spending and evermounting deficits year after year.

The idea that Federal expenditures can be financed solely by taxing the rich is fallacious.

Our Federal budgets now approximate \$100 billion annually. If the Federal Government were to tax at 100 percent, in other words confiscate, all individual incomes over \$25,000 per year, we would realize about \$1 billion additional revenue. The remaining \$99 billion would come from all the rest of the Nation's taxpayers having lesser incomes.

If individual incomes over \$100,000 a year were taxed at 100 percent, this would bring in an additional \$100 million, and all the less wealthy taxpayers would carry the rest of the load. Both of these comparisons are based upon official figures of 1963 incomes and estimated at 1965 tax rates.

I believe this demonstrates, although in somewhat oversimplified manner, that the rank and file of the country's taxpaying citizens do indeed bear by far the greatest share of the tax burden. It is in the interest of these millions of Americans that I feel so strongly we should put the brakes on spending and cut back our national debt.

I commend our proposal to the Senate and urge its early and favorable consideration.

#### AN ACTION PLAN FOR THE DEVELOPMENT OF THE NATION'S DEPRESSED REGIONS—AMENDMENT (AMENDMENT NO. 2)

Mr. NELSON. Mr. President, I send to the desk an amendment intended to be proposed by me to the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region. I ask that the amendment be referred to the Committee on Public Works and be printed. I also ask unanimous consent that the amendment be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

This amendment is designed to authorize immediate planning for up to six other regions in the country with problems similar to those of Appalachia.

The legislation would establish a Federal Action Plan Administrator with authority to designate regions for immediate development planning.

Up to \$2.5 million for any one region could be used for the development of an action plan, to be completed within 18 months by Federal and State representatives.

No more than \$10 million could be spent on the total program.

Franklin D. Roosevelt, Jr., who prepared the Appalachian legislation, told the House Public Works Committee last year that plans for other regions could be completed within 6 months if they were authorized.

Only regions which meet the general criteria established by the Senate in passage of last year's Appalachian legislation would be eligible for action plan money. To receive such planning funds, the region must: Lag substantially behind the rest of the Nation in economic growth; have an uneven past development which has not permitted self-sustaining growth; have demonstrated that local people and governments are prepared for immediate planning and development; and have common problems which offer hope of a regional solution.

In addition to the upper Great Lakes area, the standards in this bill might be met by the Ozarks; the northwestern mountain regions; the upper New England area; the desert high plateau corner of Utah, Colorado, New Mexico, and Arizona, and parts of the Deep South.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will be printed in the RECORD, and will lie on the desk, as requested.

The amendment was referred to the Committee on Public Works, as follows:

On page 1, strike out lines 3 and 4 and insert in lieu thereof the following:

#### "CHAPTER 1—APPALACHIAN REGIONAL DEVELOPMENT

##### "Short Title

"SECTION 1. This chapter may be cited as the 'Appalachian Regional Development Act of 1965', and all references in this chapter to this Act shall be held to refer to this chapter."

At the end of the bill add the following new chapter:

#### "CHAPTER 2—REGIONAL ACTION PLANNING

##### "Title V—Regional Action Planning Act of 1965

##### "Short Title

"SEC. 501. This chapter may be cited as the 'Regional Action Planning Act of 1965'.

##### "Statement of Purpose

"SEC. 502. The Congress recognizes that many regions of the country, while abundant in natural resources and rich in potential, lag behind the Nation in economic growth so that the people of such regions have not shared properly in the Nation's prosperity. Often a region's uneven past development, with historical reliance on a few basic industries and marginal agriculture, have failed to provide the economic base vital as a prerequisite for vigorous self-sustaining growth. In some cases the uneven distribution of productive Federal expenditures has left regions at a comparative disadvantage. Nonetheless, in many areas of the country the State and local governments and the people of the region understand their problems and have been and are prepared to work purposefully toward their solution. It is the purpose of this chapter to assist such regions in meeting their special problems and promoting their economic development by helping to develop policies and programs for Federal, State, and local efforts essential to an attack upon common problems through a coordinated and concerted regional approach.

##### "Regional Action Plan Administrator

"SEC. 503. (a) The provisions of this chapter shall be administered by a Regional Action Plan Administrator (hereinafter referred to as the 'Administrator') in the Executive Office of the President. The Administrator shall be appointed by and with the advice and consent of the Senate and shall be compensated at the rate provided

for level IV of the Federal Executive Salary Schedule.

"(b) The Administrator may, subject to the civil service and classification laws, appoint and fix the compensation of such officers and employees as may be necessary to carry out the provisions of this chapter.

##### "Determination of Regions

"SEC. 504. (a) The Administrator shall designate areas representing two or more contiguous States as a region for Federal-regional action planning pursuant to this chapter upon determining that—

"(1) such region lags substantially behind the rest of the Nation in its economic growth, and its people have not shared properly in the Nation's prosperity;

"(2) such region's uneven past development has failed to provide the economic base that is a vital prerequisite for vigorous self-sustaining growth;

"(3) State and local governments and the people of the region understand their problems and have been and are prepared to work purposefully toward their solution; and

"(4) region-wide development is feasible, desirable, and urgently needed.

"(b) The Administrator may designate not to exceed six regions pursuant to subsection (a).

"(c) The Administrator shall assign an appropriate department or agency of the Federal government the responsibility for developing a Federal-regional action plan pursuant to this chapter for each region established pursuant to subsection (a). Such plan shall be developed with the participation of other Federal departments and agencies which in the Administrator's opinion can make a substantial contribution, and with representatives from each State involved.

"(d) The Administrator shall review economic information relating to the various regions of the Nation so as to determine the relative position of such regions, as compared with the rest of the Nation, in terms of unemployment, underemployment, out-migration, rate of economic growth, percentage of the population receiving welfare payments, family income, and such other economic indices he deems relevant to the purpose of this chapter.

##### "Planning Assistance

"SEC. 505. (a) The Administrator may make grants to any department or agency assigned pursuant to section 504 (c) for the development of a Federal-regional action plan which is consistent with the purpose of this chapter and will—

"(1) be completed prior to the date which is one and one-half years after the date of enactment of this Act;

"(2) provide for the development, on a continuing basis, of comprehensive and coordinated plans and programs for the region, including plans for land and other natural resource use and public works, and establish priorities thereunder, with due consideration to other Federal, State, and local planning in the region;

"(3) provide for investigations, research, and studies, including where necessary inventory and analysis of the resources of the region, and in cooperation with Federal, State, and local agencies provide for demonstration projects designed to foster regional productivity and growth;

"(4) provide for the review and study, in cooperation with the agency involved of Federal, State, and local public and private programs and, where appropriate, the recommendation of modifications or additions which will increase the effectiveness of such programs and assist in their financing;

"(5) provide assistance in the formulation of necessary and helpful State and local laws and, where appropriate, interstate compacts, and make recommendations for other forms of interstate cooperation;



"(6) provide for the support of existing local development districts and encourage the formation of such districts where needed by providing technical assistance and assistance in the financing of a professional staff and administration;

"(7) provide for the encouragement of private investment in industrial, commercial, and recreational projects;

"(8) provide a forum for consideration of problems of the region and proposed solutions and provide for the establishment and utilization, as appropriate, of citizens and other special advisory councils and public conferences;

"(9) provide for the formulation and recommendation to the Congress of a program of development projects with proposals for Federal participation in their funding; and

"(10) provide that all such activities will be carried out by or through a single agency which will serve as a focal point and coordinating unit for Federal, State, and local programs in the region.

"(b) As a condition to making any grant pursuant to this chapter, the Administrator may require the making of such reports, in such form and containing such information, as he determines necessary to carry out his functions under this chapter. He may also require the keeping of such records and the affording of such access thereto as is necessary to verify such reports.

"(c) No grants pursuant to this chapter shall be made for the development of a plan for any one region in excess of a total of \$2,500,000.

#### "General Authority

"Sec. 506. Any department or agency assigned the development of a Federal-regional action plan pursuant to this chapter may for the purpose of such development—

"(1) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any inter-governmental agency, and pay for the same; and

"(2) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

#### "Federal Personnel Assistance

"Sec. 507. At the request of any department or agency developing a plan pursuant to this chapter, the head of any other department or agency may detail to temporary duty, on a reimbursable basis, with such agency such personnel within his administrative jurisdiction as such agency may need in developing such plan. Such temporary duty shall be without loss of seniority, pay, or other employee status.

#### "Report

"Sec. 508. Not later than six months after the completion of any Federal-Regional Action Plan pursuant to section 505, the department or agency developing such plan shall prepare and submit to the Governor of each State in such region and to the President, for transmittal to the Congress, a report on such plan.

#### "Consent of States

"Sec. 509. Nothing contained in this chapter shall be interpreted as requiring any State to engage in or accept any program under this chapter without its consent.

#### "Appropriations Authorized

"Sec. 510. There is authorized to be appropriated not to exceed \$10,000,000 to carry out the provisions of this chapter."

### ADDITIONAL COSPONSORS OF BILLS, ETC., OF OBSCENE LITERATURE BILL

Mr. MUNDT. Mr. President, I am happy to welcome as cosponsors of S. 309, the obscene literature bill, the Senator from Connecticut [Mr. RIBICOFF], the Senator from Kansas [Mr. PEARSON], the Senator from Colorado [Mr. DOMINICK], the Senator from Iowa [Mr. MILLER], the Senator from Alaska [Mr. GRUENING], and the Senator from Hawaii [Mr. FONG]. I ask unanimous consent that their names be added to the bill as cosponsors, and that on the next printing of the bill their names may be shown as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, I ask unanimous consent that at the next printing of S. 289 the name of the Senator from New Jersey [Mr. WILLIAMS] be added as a cosponsor.

I am delighted to be working shoulder to shoulder with him on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRUENING. Mr. President, I ask unanimous consent that the name of the senior Senator from Indiana [Mr. HARTKE] be added as a cosponsor of S. 110, to increase the amount authorized to be appropriated to carry out the provisions of the Public Works Acceleration Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRIS. Mr. President, I ask unanimous consent that I be joined as a cosponsor of Senate Resolution 20 at its next printing.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Without objection, it is so ordered.

Mr. PROUTY. Mr. President, I ask unanimous consent that the names of the Senator from Connecticut [Mr. RIBICOFF]; the Senator from North Dakota [Mr. YOUNG]; the Senator from West Virginia [Mr. RANDOLPH]; the Senator from Idaho [Mr. CHURCH]; the Senator from Alaska [Mr. GRUENING]; the Senator from South Dakota [Mr. McGOVERN]; the Senator from Wyoming [Mr. MCGEE]; the Senator from New Jersey [Mr. CASE]; the Senator from Hawaii [Mr. FONG]; the Senator from Iowa [Mr. MILLER]; the Senator from Delaware [Mr. BOGGS]; the Senator from North Dakota [Mr. BURDICK]; the Senator from Utah [Mr. MOSS]; the Senator from California [Mr. KUCHEL]; the Senator from Pennsylvania [Mr. SCOTT]; the Senator from South Dakota [Mr. MUNDT]; the Senator from New York [Mr. JAVITS]; the Senator from Colorado [Mr. ALLOTT]; and the Senator from Minnesota [Mr. MCCARTHY], be added as cosponsors of Senate Resolution 30, a resolution to give the Select Committee on Small Business the authority to have bills and resolutions referred to it, and to report legislation for consideration on the floor of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

### ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTION

Under authority of the orders of the Senate, as indicated below, the following names have been added as additional cosponsors for the following bills and joint resolution:

Authority of January 6, 1965:

S. 3. A bill to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region: Mr. GORE, Mr. MONDALE, and Mr. YARBOROUGH.

S. 5. A bill to provide assistance for students in higher education by establishing programs for student grants, loan insurance, and work-study: Mr. BARTLETT, Mr. BAYH, Mr. BURDICK, Mr. CANNON, Mr. CHURCH, Mr. CLARK, Mr. DOUGLAS, Mr. GRUENING, Mr. HART, Mr. INOUE, Mr. JORDAN of North Carolina, Mr. KENNEDY of Massachusetts, Mr. LONG of Missouri, Mr. MCCARTHY, Mr. MCGEE, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MONTOYA, Mr. MOSS, Mr. MUSKIE, Mr. PELL, Mr. RANDOLPH, Mr. TYDINGS, Mr. YARBOROUGH, and Mr. YOUNG of North Dakota.

S. 110. A bill to increase the amount authorized to be appropriated to carry out the provisions of the Public Works Acceleration Act: Mr. YARBOROUGH.

S. 201. A bill to provide for an investigation and study of means of making the Great Lakes and the St. Lawrence Seaway available for navigation during the entire year: Mr. DIRKSEN, Mr. HART, Mr. HARTKE, Mr. KENNEDY of New York, Mr. LAUSCHE, Mr. MCCARTHY, Mr. MONDALE, Mr. NELSON, and Mr. YOUNG of Ohio.

S. 252. A bill to provide for appointment by the Postmaster General of postmasters at first-, second- and third-class post offices: Mr. BENNETT, Mr. CASE, Mr. CLARK, Mr. MORSE, Mr. MOSS, Mr. NELSON, Mrs. NEUBERGER, Mr. SIMPSON, Mr. TOWER, Mr. TYDINGS, and Mr. YOUNG of Ohio.

S. 293. A bill to authorize the establishment of a public community college and a public college of arts and sciences in the District of Columbia: Mr. CLARK, Mr. DOUGLAS, Mr. GRUENING, Mr. MCGEE, Mr. MCINTYRE, Mrs. NEUBERGER, and Mr. YOUNG of Ohio.

S.J. Res. 6. Joint resolution proposing an amendment to the Constitution of the United States relating to cases where the President is unable to discharge the powers and duties of his office: Mr. ALLOTT, Mr. CURTIS, Mr. DIRKSEN, and Mr. MONDALE.

Authority of January 7, 1965:

S. 310. A bill to amend the National Arts and Cultural Development Act of 1964 to authorize the National Council on the Arts to accept and receive bequests, gifts, and donations for use in carrying out the purposes of such act, and to establish the National Arts Foundation: Mr. DOUGLAS, Mr. SCOTT, and Mr. YARBOROUGH.

### NOTICE OF HEARING ON THE NOMINATION OF ARTHUR M. OKUN TO BE A MEMBER OF THE COUNCIL OF ECONOMIC ADVISERS

Mr. ROBERTSON. Mr. President, I should like to announce that the Committee on Banking and Currency will hold hearings on the nomination of Arthur M. Okun, of Connecticut, to be a member of the Council of Economic Advisers. The hearing is scheduled to be held on Tuesday, January 26, 1965, in room 5302, New Senate Office Building, at 10 a.m.

Any persons who wish to appear and testify in connection with this nomination



tion are requested to notify Matthew Hale, chief of staff, Senate Committee on Banking and Currency, room 5300, New Senate Office Building, telephone 225-3921.

#### NOTICE OF HEARINGS ON IMMIGRATION AND NATURALIZATION LEGISLATION

Mr. EASTLAND. Mr. President, as chairman of the Immigration and Naturalization Subcommittee of the Committee on the Judiciary, I wish to announce the beginning of hearings on general immigration and naturalization legislation, particularly S. 590, Monday, February 8, 1965, at 10:30 a.m. in room 2228, New Senate Office Building.

Prospective witnesses desiring to be heard should contact the Immigration Subcommittee, room 2306, New Senate Office Building, so that a schedule may be arranged.

#### ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. ROBERTSON:

Statement by him on the retirement of Frank H. Fuller, of the Associated Press.

Letter on commercial bank term loans abroad, received by him from Walter B. Wriston, executive vice president of the First National City Bank of New York.

By Mr. THURMOND:

Editorial entitled "Freedom Is Slipping," published in the Spartanburg Guide and the Textile Tribune of January 14, 1965.

Editorial comment in support of State right-to-work laws.

Editorial, by the Jefferson Standard Broadcasting Co., on the proposed abolition of the Army Reserve program.

Editorial entitled, "The Future That Nobody Knows?" from the U.S. News & World Report of January 11, 1965.

By Mr. RANDOLPH:

"Words That Live," a booklet published by Eastern Air Lines commemorating tomorrow's inaugural address by President Lyndon B. Johnson.

By Mr. AIKEN:

Article entitled "Our Opinion—Federal Savings Should Consider Welfare of Smaller Communities," published in the Great Falls (Mont.) Tribune on January 14, 1965.

By Mr. McGOVERN:

Debate between Senator Morse and Henry Cabot Lodge on U.S. policy on Vietnam, published in the New York Times Magazine on January 17, 1965.

#### TWO UNIQUE CALIFORNIA CONTRIBUTIONS TO THE INAUGURAL PARADE: SANTA BARBARA "BARBARETTES" AND DOS PALOS HIGH SCHOOL BAND

Mr. KUCHEL. Mr. President, the spectacle presented every 4 years when an impressive parade climaxes the swearing in of a new President of the United States allows watchers across the land the chance to see a unique array of marching units, colorful floats, dignitaries, mounted riders, well-drilled mili-

tary groups, and other awe-inspiring features.

To appear in this procession is a coveted honor. Especially this year, when efforts are made to keep the length of the parade within tolerable limits, an opportunity to take part is most cherished.

California, now the Nation's largest State in population, of course has innumerable units well qualified to represent her in this event. The marchers from the Golden State tomorrow celebrating President Johnson's inauguration will be an accomplished high school band from a typical small farming area town and a striking organization from a much larger municipality which has gained nationwide attention and prominence in less than a decade.

California's contribution to the color of the spectacle and entertainment of watchers will be the Santa Barbara "Barbarettes," a novelty drill team of 17 girls and 2 boys, and the Dos Palos High School Band.

Those viewing the procession in person or over television will be rewarded by the performance of the "Barbarettes," of which Jean Robbins is director, that has been featured at such a variety of events as the East-West Shrine football game, the Washington Redskins-Los Angeles Rams football game, the Las Vegas "Hell Dorado Days" and Santa Barbara "Old Spanish Days" parades, Salinas Rodeo, and a host of civic celebrations in California and neighboring States. This aggregation's precision and distinctiveness has brought it over 100 trophies and an equal number of blue ribbons in assorted competitions.

The Dos Palos High School Band is equally distinguished. Representing a community of only some 2,000 souls in the agricultural region of California's rich San Joaquin Valley, this musical group has gained fame in statewide competition. The justified civic pride in its achievements and competence prompted residents of the town to raise funds to meet expenses of sending the band to the National Capital for this occasion.

California is proud, indeed, to be represented by the Santa Barbara "Barbarettes" and the Dos Palos High School Band.

#### REAUTHORIZATION OF GARRISON DIVERSION IRRIGATION PROJECT, NORTH DAKOTA

Mr. YOUNG of North Dakota. Mr. President, the Pick-Sloan plan for development of the Missouri River Basin was authorized under the Flood Control Act of 1944. Much of this great program has already become a reality.

It includes five very large multiple purpose dams on the Missouri River. The people of the Missouri Basin have already realized untold benefits from these huge dams, including protection against the devastating floods of the past.

In making possible these vast reservoirs to store flood waters, it was necessary to acquire a large amount of very fertile land. North Dakota alone lost over 550,000 acres of its most valuable

agricultural lands for the Garrison and Oahe Dams.

Under the Flood Control Act of 1944 one of the major commitments was to replace this lost acreage with irrigated land. The Flood Control Act of 1944 specifically authorized a large irrigation project for North Dakota.

Because of the long delay on the part of the Federal Government in embarking upon the irrigation phase of the Pick-Sloan plan, it is felt by many that the Garrison diversion irrigation project in North Dakota should be reauthorized.

The project for which we are seeking reauthorization would irrigate only about 250,000 acres as against approximately 1 million acres authorized under the Flood Control Act of 1944.

Mr. President, the Garrison diversion irrigation project, besides providing this most necessary irrigation, would also greatly enhance the fish and wildlife interests not only in North Dakota but the entire Nation. Too, it would provide badly needed and necessary water supplies to at least four of our larger cities.

Mr. President, the entire State of North Dakota is united in support of this project. The original authorization was endorsed by President Harry S. Truman when he signed the Flood Control Act of 1944 of which it was a part. The reauthorization, which we are now seeking, was endorsed by Presidents Dwight D. Eisenhower, John F. Kennedy, and Lyndon B. Johnson.

I am pleased to offer for the RECORD House Concurrent Resolution A, just approved unanimously by the State Legislature of North Dakota.

I ask unanimous consent that it be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER (Mr. HARRIS in the chair). Without objection, it is so ordered.

The concurrent resolution ordered to be printed in the RECORD is as follows:  
HOUSE CONCURRENT RESOLUTION "A": GARRISON DIVERSION UNIT

Whereas a substantial irrigation development for North Dakota was not only promised, but was specifically authorized as an integral part of the Missouri River Basin project in the Flood Control Act of 1944, to partially offset the loss experienced in the State by the acquisition of over 550,000 acres of valuable agricultural lands by the Federal Government for the construction of the Garrison and Oahe Dam and Reservoir projects on the Missouri River; and

Whereas the U.S. Bureau of Reclamation has determined from exhaustive studies and investigations conducted over the past 20 years, that the multiple-purpose Garrison diversion unit and irrigation development proposed therein is engineeringly and economically justifiable and feasible; and

Whereas legislation that would reauthorize the Garrison diversion unit has been proposed in each Congress since 1957, and has been the subject of extensive and thorough congressional hearings held during the intervening years, at which strong and consistent project support has been given by the State's congressional delegation, Governor, legislature, potential irrigators, farm, business, labor, industrial, professional, and agricultural organizations and leaders, as well as from basinwide and national water resources organizations, and by the last two administrations; and









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official business

Postage and fees paid

U. S. Department of Agriculture

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued January 25, 1965

For actions of January 22, 1965

89th-1st; No. 15

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**HIGHLIGHTS:** Sen. Carlson expressed concern over level of farm income. Sen. Nelson submitted amendment to extend proposed Appalachia program to other regions. Sen. Bennett introduced and discussed bill to exempt from processing certificate purchase wheat for donation to needy persons. Sen. Neuberger introduced and discussed bill to broaden meat inspection program.

## SENATE

1. **APPALACHIA.** Sen. Nelson submitted an amendment intended to be proposed to S. 3, to provide public works and economic development programs for the Appalachian region, so as to authorize immediate planning for up to six other regions in the country with problems similar to those of Appalachia. Also, he inserted his statement in support of legislation for maintenance and preservation of the Appalachian Trail. pp. 1050-4

Sen. McCarthy submitted an amendment intended to be proposed to S. 3, the Appalachia bill. p. 1012

2. **FARM INCOME.** Sen. Carlson expressed concern that "the farmer is not receiving his fair share of the national income with parity at 74 percent," and stated that the Administration must "reevaluate its responsibility to the farmer and its need for a prosperous farm population." pp. 1024-5



3. BUDGET. Received from the President the budget for the District of Columbia for fiscal year 1966 (H. Doc. 15, part 2). pp. 977-9
4. STOCKPILING. Received the report of the Joint Committee on Reduction of Non-essential Federal Expenditures on Federal stockpile inventories as of Oct. 1964, including CCC inventories. pp. 986-94
5. PERSONNEL. Received from the Joint Committee on Reduction of Nonessential Federal Expenditures a summary of monthly personnel reports on civilian employment in the executive branch during the recess of the Congress. pp. 994-8
6. CONSUMER CREDIT. Sen. Bennett commended the establishment of the Consumers Credit Counseling Service by businessmen of Utah. pp. 1021-2
7. LEGISLATIVE PROGRAM. Sen. Mansfield expressed hope that the Appalachia bill and water pollution bill will be reported within a week and that a measure on the coffee agreement can be considered at an early date. p. 1030
8. ADJOURNED until Tues., Jan. 26. p. 1054

#### BILLS INTRODUCED

9. PERSONNEL. S. 628 by Sen. Dirksen, to amend the Federal Employees' Group Life Insurance Act of 1954 so as to increase the maximum amount for which an employee may be insured under such act; to Post Office and Civil Service Committee.
10. FORESTS. S. 636 by Sen. Bennett, to authorize and direct the Secretary of Agriculture jointly with the Secretary of Commerce to make a preliminary survey of the proposed Skyline Drive Recreation Way in the Manti-LaSal and Fishlake National Forests in the State of Utah; to Interior and Insular Affairs Committee. Remarks of author pp. 1001-1
11. WHEAT. S. 639 Sen. Bennett, to amend section 379d(b) of the Agricultural Adjustment Act of 1938, as amended, in order to exempt from the requirements of such section wheat which is produced or processed solely for donation to needy persons; to Agriculture and Forestry Committee.
12. RECREATION. S. 650 by Sen. Moss, to authorize the Secretary of the Interior to conduct, in cooperation with the States and interested Federal agencies, a development survey of the recreational resources of the Golden Circle of National Parks and Monuments and associated science, recreation, and Indian areas in the States of Arizona, Colorado, New Mexico and Utah; to Interior and Insular Affairs Committee. Remarks of author pp. 1006-7
13. GREAT PLAINS. S. 662 by Sen. McGovern, to encourage and accelerate the economic development of the Upper Great Plains region; to Public Works Committee. Remarks of author pp. 1007-8
14. MEAT INSPECTION. S. 663 by Sen. Neuberger, to extend Federal meat inspection and to permit cooperation with State meat inspection services; to Agriculture and Forestry Committee. Remarks of author p. 1008



S. 3

Referred to the Committee on Public Works and ordered to be printed

### Amdt. No. 3

1 other counties in the States of Minnesota, Wisconsin, and  
 2 Michigan as part of the upper Great Lakes region for the  
 3 purposes of this chapter as it determines necessary to carry  
 4 out the purposes of this chapter.”

**Amdt. No. 3**

89TH CONGRESS  
1ST SESSION

## **S. 3**

### **AMENDMENTS**

Intended to be proposed by Mr. McCARTHY to amendment numbered 1 intended to be proposed by Mr. HART to S. 3, a bill to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

JANUARY 22, 1965

Referred to the Committee on Public Works and  
ordered to be printed



course of action—its implications and ways of carrying it out—has been carefully studied."

Further well-advertised American hints—that some kind of initiative against North Vietnam was under consideration followed. In June, top-level U.S. military and civilian leaders met at Honolulu and new stories of impending strikes against North Vietnam were leaked. Next, U.S. reconnaissance planes appeared over Red-held territory in Laos, and the U.S.-trained Royal Lao Air Force also went into action. On June 11, six U.S.-built jets bombed the Pathet Lao base at Khang Kay, in Laos, while the United States denied they had U.S. pilots.

In July, the movement of 5,000 more American troops into South Vietnam was announced, and U.S. spending increases were projected over the \$700 million level for fiscal year 1965. Maximum publicity was given these facts, too.

It was now the Communists' turn to worry, especially the North Vietnamese. From China and Russia came the demand for a new conference of the 14 nations that signed the 1962 Geneva agreements. France, as well as many neutrals, backed this demand, while in the United States 5,000 college professors called for a neutralized Vietnam and pacifist groups circulated an open letter from North Vietnam leader, Ho Chi Minh, asking the American people to force their Government to negotiate with him.

The United States refused to entertain the conference idea, saying that it would only serve to "ratify the violations" of the existing treaties the Communists had committed. The buildup went on, with South Vietnam's General Khanh adding new tension when he declared in July that his government felt free to carry the war into North Vietnam on its own.

Amid a welter of speculation about just what action would be taken, a clash between United States and North Vietnamese warships took place in early August. Part of the new posture of the United States now became clear.

U.S. planes struck at North Vietnam bases, destroyed PT boats, bases and oil facilities. This was the first organized military blow by the United States against Communist territory since the Korean war. It was followed by an immediate augmentation of U.S. forces in southeast Asia in readiness for any counter blow of any size.

President Johnson went on the air as the strike was beginning to assure the Communists that this "response will be limited and fitting." He emphasized pointedly, "We still seek no wider war." Publicity was given to Ambassador Taylor's notification of General Khanh that his call for an extension of the war was against present U.S. policy.

For the first time in the long Indochinese struggle, too, the two sides had exchanged roles. It was now the Communists who had to decide what response to make—or whether to respond at all—and the United States which had the initiative. Nor would this be the last such time, said President Johnson on August 8. The air and naval action in the Gulf of Tonkin, he announced, applied more broadly to "aggression in southeast Asia as a whole." This threatened the "privileged sanctuary" in North Vietnam and the Red-held areas of Laos, where Red forces could rest and plan new forays between strikes.

To sum up where the United States stood in the fall of 1964:

The range of our responses to the Communist "war of liberation" had been widened.

New risks considered to be "manageable" were taken. They could lead to more general war, but the belief was they would stay within the confines of limited war, and would help produce that effect.

Though the scale of combat had risen appreciably, what had escalated enormously was the U.S. commitment in the intangibles: will, prestige, determination. The United States was now fully immersed in the kind of political-psychological-military war the Reds had made their own specialty, in which the intangibles were often the most important stakes.

Late this fall, General Khanh stepped out in favor of a civilian government under Tran Van Huong, former Saigon mayor. Then, after the Vietcong attacked a U.S. bomber base, rumors were rife of sterner U.S. action.

As these words go to press the last chapter is not written, but the struggle in Indochina is seen as an extension of our Korea policy to hold Red colonialism where it is in Asia while, unlike Korea, avoiding any bigger military commitment than is necessary. It is a neat trick to win any struggle with the minimum possible involvement. The Communists have done it many times. In Vietnam today we are witnessing our own first big attempt to walk that tightrope.

#### SAMUEL L. HAMMERMAN

Mr. TYDINGS. Mr. President, I rise today to call the attention of the Senate to the passing of an outstanding Marylander and a fine American.

Samuel L. Hammerman gave the highest kind of service to the welfare of the general public. As a successful businessman, he could have rested on his many laurels in the field of real-estate development. But this was not the way of Sam Hammerman. At age 70, he accepted the responsibility of chairman of the State Commission of Forests and Parks in Maryland. On the day of his death, he presided over a meeting of that group.

Under his compassionate and creative direction, Maryland parks have grown in their utility to people, while remaining true to the highest standards of conservation. Sam Hammerman was a man who bought a piece of property, spending more than \$1,000 to save a tree doomed to destruction, a tree which is still growing.

The bill to establish a national park on Assateague Island, of which I am a cosponsor with my colleague, Senator BREWSTER, is, at least in some part, a monument to his foresight and courage as a creative conservationist. I am sure that no finer tribute could be paid to this wonderful man than the establishment of a national park on Assateague Island.

Maryland and the Nation are truly poorer for his passing.

I ask unanimous consent to have printed in the RECORD appropriate editorial comment from the Baltimore Evening Sun and the Baltimore News American of January 20, 1965.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Baltimore (Md.) News American, Jan. 20, 1965]

#### SAMUEL L. HAMMERMAN

The community mourns Samuel L. Hammerman, who gave so much of himself to its betterment.

Mr. Hammerman, who was a successful realtor in his business life, made contributions in so many different fields of civic endeavor that it is difficult to single out his most outstanding.

High among his accomplishments, certainly, rank his leadership in the affairs of the Advertising Club, of which he was the founder and a former president; his years of service on the city park board, during which he was at the forefront of the successful drives for the erection of Memorial Stadium and the upgrading of the city zoo; and his successful chairmanship of the State commission on forests and parks, which he headed at the time of his sudden death.

This friendly, outgoing man made his presence felt in everything he undertook. The Advertising Club in its present form is largely his creation—and the plush, glittery style which has made the Ad Club Award Banquet a sellout every year, attracting the top names in the city's political, commercial, and civic life, is due to his verve and enthusiasm.

"In many ways Sam Hammerman was Mr. Baltimore himself," Mayor McKeldin recalls. "For he understood deeply and was an integral part of our city's aspiration, personality, growth, and municipal pride."

In paying homage to this outstanding citizen, we can do no better than to repeat a tribute paid to him a dozen years ago by the Jesuit priest, the Very Rev. Edward B. Bunn, at a testimonial dinner. It was brief and to the point: "The fulcrum of Sam's successful life has been his unabashed love of mankind."

[From the Baltimore (Md.) Evening Sun, Jan. 20, 1965]

#### S. L. HAMMERMAN

For a leading businessman to enter public life as a member of one or more advisory or regulatory bodies is far from difficult; the job often seeks out the appointee. What can come hard is for the businessman to reorient his outlook, putting the public interest ahead of the private or commercial considerations. An example, indeed a model, of the successful changeover will long be available to Baltimoreans and Marylanders in the career of the late S. L. Hammerman. A man whose profession was the development of residential real estate, Mr. Hammerman went to work, when named head successively of the city's park board and the State's commission for forests and parks, to advance the public's cause.

Outstanding instances of such action on the part of Hammerman-led boards included the defense of Druid Hill Park against an attempt to locate the civic center there, ardent support of the effort to bring about Federal acquisition of the full Maryland length of Assateague Island and, within recent days, the rebuff of an executive attempt to allow destructive strip mining on a stretch of State parkland in western Maryland. A gregarious man and a driving force whose death will be mourned also at Advertising Club banquets and in interfaith programs, Sam Hammerman could count many achievements, and not least among them a role as a distinct part of the flavor or color of the city's collective personality.

#### WYOMING'S UNEMPLOYMENT COMPENSATION LAW

Mr. McGEE. Mr. President, the Reader's Digest, in its January 1965 issue, presented its readers with what it termed "a case study of unemployment-compensation abuse—and its cure."

The article about the State of Wyoming and its unemployment compensation law was a broadly embroidered one, based on only bare threads of truth. The Wyoming Employment Outlook, a publication of the Employment Security



Commission of Wyoming, gives a different outlook on the situation. It sets the record straight.

I ask unanimous consent that the Employment Security Commission editorial in reply to the Reader's Digest article be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### READER'S DIGEST STRIKES AGAIN

The Reader's Digest has once more zeroed in on its favorite target, the Bureau of Employment Security. In its latest issue, the magazine has chosen Wyoming's unemployment compensation law for its attack. The story swarms with villains (the bureaucrats) and white knights (three special-interest group technicians), and the fight ensues.

The technicians, according to the story, became unemployment insurance experts practically overnight. They snatch a "hoop and holler" victory from the bureaucrats by virtue of an early morning breakfast with two members of the State legislature. The hoop and holler victory even with the two members voting for the proposals, would have meant a margin of one vote for the proposals.

The Reader's Digest intentions become quite obvious when one reads the advertisement displayed in local Wyoming papers. Its ads are even more sensational than the story itself. Quoting from one such ad: "Wyoming tightens up on 'happy time' money. Freeloaders were coming from as far away as California. Anybody who refused to work could sign up for unemployment compensation—even convicted criminals. Then the public woke up."

The inference of the ads and the story is that any out-of-State worker who comes to fill available jobs in Wyoming, does so for the sole purpose of becoming qualified to draw unemployment compensation from the Wyoming fund and thus, have a "happy time."

During the construction time of the year, Wyoming never has enough workers within its borders to fill all the jobs available. The contractors know this and offer the enticement of good wages and working conditions to encourage the migration of the right kind of worker. This is what brings these workers into Wyoming, not the promise of a good time at the "trough" of public funds, as the magazine suggests.

The article emphasizes the fact that some workers can earn as little as \$375 and become eligible for "happy time" money. The article does not mention that on this bare minimum of wage earnings, the benefits would have been \$10 a week for 12 weeks. Nor does it mention that the average weekly benefit for all claimants is only \$35.

Most of these workers who come into Wyoming to work on construction and other outside type jobs can, while they are working, earn at least four to five times this amount and would find it difficult to have a "happy time" on such a reduced rate of earning.

The ad said that anybody who refused to work could sign up for unemployment compensation. This, as with many of the statements made by the magazine, has a thread of truth. The law states that the commission cannot refuse to accept an application for compensation from anyone. However, they must qualify for entitlement and meet eligibility tests. A refusal to work would result in a denial of payments of benefits.

In the past, many experts have taken the magazine to task and have exposed their blasts at the Bureau of Employment Security for what they are: illogical assumptions based only on threads of truth.

The experts' answers were printed in publications with a circulation of thousands. The Reader's Digest claims a circulation of over 25 million. By the time a rebuttal comes

out, the Lilliputian magazine is once more trying to pin down another Bureau of Employment Security Gulliver with thin, weak threads of truth.

#### AN ACTION PLAN FOR THE DEVELOPMENT OF THE NATION'S DE-PRESSED REGIONS—AMENDMENT (AMENDMENT NO. 2)

Mr. NELSON. Mr. President, I send to the desk an amendment intended to be proposed by me to the bill (S. 3 to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region. I ask that the amendment be referred to the Committee on Public Works and be printed. I also ask unanimous consent that the amendment be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

This amendment is designed to authorize immediate planning for up to six other regions in the country with problems similar to those of Appalachia.

The legislation would establish a Federal Action Plan Administrator with authority to designate regions for immediate development planning.

Up to \$2.5 million for any one region could be used for the development of an action plan, to be completed within 18 months by Federal and State representatives.

No more than \$10 million could be spent on the total program.

Franklin D. Roosevelt, Jr., who prepared the Appalachian legislation, told the House Public Works Committee last year that plans for other regions could be completed within 6 months if they were authorized.

Only regions which meet the general criteria established by the Senate in passage of last year's Appalachian legislation would be eligible for action plan money. To receive such planning funds, the region must: Lag substantially behind the rest of the Nation in economic growth; have an uneven past development which has not permitted self-sustaining growth; have demonstrated that local people and governments are prepared for immediate planning and development; and have common problems which offer hope of a regional solution.

In addition to the upper Great Lakes area, the standards in this bill might be met by the Ozarks; the northwestern mountain regions; the upper New England area; the desert high plateau corner of Utah, Colorado, New Mexico, and Arizona, and parts of the Deep South.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will be printed in the RECORD, and will lie on the desk, as requested.

The amendment was referred to the Committee on Public Works, as follows:

On page 1, strike out lines 3 and 4 and insert in lieu thereof the following:

#### "CHAPTER 1—APPALACHIAN REGIONAL DEVELOPMENT

##### "Short Title

"SECTION 1. This chapter may be cited as the 'Appalachian Regional Development Act

of 1965', and all references in this chapter to this Act shall be held to refer to this chapter."

At the end of the bill add the following new chapter:

#### "CHAPTER 2—REGIONAL ACTION PLANNING

##### "Title V—Regional Action Planning Act of 1965

##### "Short Title

"SEC. 501. This chapter may be cited as the 'Regional Action Planning Act of 1965'.

##### "Statement of Purpose

"SEC. 502. The Congress recognizes that many regions of the country, while abundant in natural resources and rich in potential, lag behind the Nation in economic growth so that the people of such regions have not shared properly in the Nation's prosperity. Often a region's uneven past development, with historical reliance on a few basic industries and marginal agriculture, have failed to provide the economic base vital as a prerequisite for vigorous self-sustaining growth. In some cases the uneven distribution of productive Federal expenditures has left regions at a comparative disadvantage. Nonetheless, in many areas of the country the State and local governments and the people of the region understand their problems and have been and are prepared to work purposefully toward their solution. It is the purpose of this chapter to assist such regions in meeting their special problems and promoting their economic development by helping to develop policies and programs for Federal, State, and local efforts essential to an attack upon common problems through a coordinated and concerted regional approach.

##### "Regional Action Plan Administrator

"SEC. 503. (a) The provisions of this chapter shall be administered by a Regional Action Plan Administrator (hereinafter referred to as the 'Administrator') in the Executive Office of the President. The Administrator shall be appointed by and with the advice and consent of the Senate and shall be compensated at the rate provided for level IV of the Federal Executive Salary Schedule.

"(b) The Administrator may, subject to the civil service and classification laws, appoint and fix the compensation of such officers and employees as may be necessary to carry out the provisions of this chapter.

##### "Determination of Regions

"SEC. 504. (a) The Administrator shall designate areas representing two or more contiguous States as a region for Federal-regional action planning pursuant to this chapter upon determining that—

"(1) such region lags substantially behind the rest of the Nation in its economic growth, and its people have not shared properly in the Nation's prosperity;

"(2) such region's uneven past development has failed to provide the economic base that is a vital prerequisite for vigorous self-sustaining growth;

"(3) State and local governments and the people of the region understand their problems and have been and are prepared to work purposefully toward their solution; and

"(4) region-wide development is feasible, desirable, and urgently needed.

"(b) The Administrator may designate not to exceed six regions pursuant to subsection (a).

"(c) The Administrator shall assign an appropriate department or agency of the Federal Government the responsibility for developing a Federal-regional action plan pursuant to this chapter for each region established pursuant to subsection (a). Such plan shall be developed with the participation of other Federal departments and agencies which in the Administrator's opinion can make a substantial contribution, and with representatives from each State involved.



"(d) The Administrator shall review economic information relating to the various regions of the Nation so as to determine the relative position of such regions, as compared with the rest of the Nation, in terms of unemployment, underemployment, out-migration, rate of economic growth, percentage of the population receiving welfare payments, family income, and such other economic indices he deems relevant to the purpose of this chapter.

#### "Planning Assistance

"SEC. 505. (a) The Administrator may make grants to any department or agency assigned pursuant to section 504(c) for the development of a Federal-regional action plan which is consistent with the purpose of this chapter and will—

"(1) be completed prior to the date which is one and one-half years after the date of enactment of this Act;

"(2) provide for the development, on a continuing basis, of comprehensive and coordinated plans and programs for the region, including plans for land and other natural resource use and public works, and establish priorities thereunder, with due consideration to other Federal, State, and local planning in the region;

"(3) provide for investigations, research, and studies, including where necessary inventory and analysis of the resources of the region, and in cooperation with Federal, State, and local agencies provide for demonstration projects designed to foster regional productivity and growth;

"(4) provide for the review and study, in cooperation with the agency involved of Federal, State, and local public and private programs and, where appropriate, the recommendation of modifications or additions which will increase the effectiveness of such programs and assist in their financing;

"(5) provide assistance in the formulation of necessary and helpful State and local laws and, where appropriate, interstate compacts, and make recommendations for other forms of interstate cooperation;

"(6) provide for the support of existing local development districts and encourage the formation of such districts where needed by providing technical assistance and assistance in the financing of a professional staff and administration;

"(7) provide for the encouragement of private investment in industrial, commercial, and recreational projects;

"(8) provide a forum for consideration of problems of the region and proposed solutions and provide for the establishment and utilization, as appropriate, of citizens and other special advisory councils and public conferences;

"(9) provide for the formulation and recommendation to the Congress of a program of development projects with proposals for Federal participation in their funding; and

"(10) provide that all such activities will be carried out by or through a single agency which will serve as a focal point and coordinating unit for Federal, State, and local programs in the region.

"(b) As a condition to making any grant pursuant to this chapter, the Administrator may require the making of such reports, in such form and containing such information, as he determines necessary to carry out his functions under this chapter. He may also require the keeping of such records and the affording of such access thereto as is necessary to verify such reports.

"(c) No grants pursuant to this chapter shall be made for the development of a plan for any one region in excess of a total of \$2,500,000.

#### "General Authority

"SEC. 506. Any department or agency assigned the development of a Federal-regional action plan pursuant to this chapter may for the purpose of such development—

"(1) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any inter-governmental agency, and pay for the same; and

"(2) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

#### "Federal Personnel Assistance

"SEC. 507. At the request of any department or agency developing a plan pursuant to this chapter, the head of any other department or agency may detail to temporary duty, on a reimbursable basis, with such agency such personnel within his administrative jurisdiction as such agency may need in developing such plan. Such temporary duty shall be without loss of seniority, pay, or other employee status.

#### "Report

"SEC. 508. Not later than six months after the completion of any Federal-Regional Action Plan pursuant to section 505, the department or agency developing such plan shall prepare and submit to the Governor of each State in such region and to the President, for transmittal to the Congress, a report on such plan.

#### "Consent of States

"SEC. 509. Nothing contained in this chapter shall be interpreted as requiring any State to engage in or accept any program under this chapter without its consent.

#### "Appropriations Authorized

"SEC. 510. There is authorized to be appropriated not to exceed \$10,000,000 to carry out the provisions of this chapter."

Mr. NELSON. Mr. President, I ask unanimous consent that there be printed in the RECORD the remarks I made on the floor of the Senate on May 20, 1964, relating to the management, use, and public benefits from the Appalachian Trail.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

The Appalachian trail is a 2,000-mile-long continuous trail, for foot use, extending from Mount Katahdin, Maine, to Springer Mountain, Ga., passing through some 13 States—Maine, New Hampshire, Vermont, Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, Maryland, Virginia, Tennessee, North Carolina, and Georgia.

Mr. President, the Appalachian trail has been developed, maintained, and protected by a good many thousands of very conscientious citizens, some of whom live near the trail; others live many miles away from it. Certainly they are to be commended for the great contributions they have made to the development and preservation of this magnificent outdoor asset.

But today this beautiful trail is being threatened by encroachments, due to population pressures; and unless protection, such as that provided by this bill, is given, the day will soon come when large parts of the Appalachian Trail, except those passing through national parks, will be destroyed.

The two most distinguishing features of this trail are: First, the primitive, wild, natural or "primeval" nature of its immediate surroundings; and second, its remoteness from the signs and influences of civilization. In the national parks and forests, where some measure of control can be exercised, these characteristic features of the trail are given

definition by preserving the area within 200 feet of the trail in an essentially natural condition and prohibiting incompatible developments within 1 mile of the trail. This protection has now been afforded the trail on Federal lands for the past 25 years.

However, to protect the lands traversed by the trail I believe new legislation will be required in order to maintain this continuous 2,000-mile foot trail through a primitive environment over the years to come.

The Appalachian Trail is unique. It is the longest, continuous marked foot trail in the world. Its reputation is international.

This bill is in effect an extension of the Appalachian Trailway Agreement, which has governed the policy of the National Park Service and the national forests with regard to the Appalachian Trail lands since 1938, and similar agreements signed by 13 of the States through which the trail passes. The bill would provide congressional recognition of the Appalachian Trail as an outdoor recreational facility and provide means to protect the remaining trail lands not covered by the existing agreements.

The need for the trail is obvious. Its value to the Nation can be measured in terms of: First, its historical development; second, its present use; and third, the future well-being of our population.

The trail itself was conceived in 1921 as a continuous footpath connecting the remaining wilderness areas of the eastern seaboard—a footpath which for all practical purposes would be endless. It was to be the backbone of a primeval environment, a retreat from a civilization considered even then to be too mechanized. From this beginning followed a remarkable story of the establishment—the actual laying out, clearing, and marking—of a 2,000-mile trail entirely through volunteer efforts. It was an amateur recreation experiment of unprecedented magnitude.

Following completion of its basic route in 1938, the trail has been maintained and improved to provide the best possible route, scenery, and environment. About one-third of the trail is now on Federal lands. Here the Federal agencies provide substantial assistance to maintain the trail and its shelters, funds permitting. The remainder of the trail is maintained by the volunteer efforts of trail and hiking clubs and individuals. This work and the publication and distribution of information and guidebooks are coordinated by the Appalachian Trail Conference, Inc., a nonprofit organization with headquarters in the District of Columbia. This conference has no salaried employees. The fact that the entire project was originated and developed and has matured without Government sponsorship or profit motive attests to the strong public support of the trail.

The trail is used as a recreational facility by many persons in many walks of life. It is used for recreation and training by Boy Scouts, Girl Scouts, and other youth groups from most of the States east of the Mississippi River. It is enjoyed by lovers of wild-life, flowers, the outdoors, and nature in general. It is used by hunters and fishermen. It provides opportunity for hiking and physical exercise ranging from leisurely half-hour walks to rigorous trips of up to the full 2,000 miles of the trail—and incidentally there are some hardy souls who have walked the entire length of the trail in one hike. It provides the means whereby man can experience an intimate relationship with his natural environment.

There are 50,000 to 100,000 annual visitations to the trail at the present time. Of more significance is the fact that use of the Appalachian Trail is an exceedingly high-quality experience, in fact one rarely forgotten. Its very nature, that of providing a



natural and remote recreational area, precludes its simultaneous use by very large numbers of persons.

In my opinion, the future well-being of the American people rests, among other things, on physical fitness, and understanding of their environment, mental health, and spiritual awareness. Opportunities for outdoor physical exercise in an environment resembling that enjoyed by our forefathers are on the decline in the Eastern United States. Increasingly, suitable lands are taken up by private dwellings and a variety of enterprises. The mental and spiritual well-being of the people may depend upon sufficient places to retreat for contemplation, to commune with nature. The Appalachian Trail is an already established facility which satisfies these various needs, and it is for that reason that we seek to preclude the existing and possible future threats to the permanence of the trail.

First, there is the gradual biting away of the lands along the trail for other uses. This is a problem mainly, but not exclusively, on private lands, where the Appalachian Trail Conference or its member clubs have merely received permission, usually verbal, from the owner for the trail to cross these lands. Such competitive uses include real estate developments for summer or year-round homes, commercial recreational developments, lumbering and bulldozer operations, roads, ski lifts, radar and TV installations, and powerline crossings.

The other major type of threat consists of the construction of scenic parkways on the same ridgecrest as occupied by the Appalachian Trail, either forcing relocation of large segments of the trail or resulting in inferior portions in the sense that its most important characteristic of naturalness and remoteness can no longer be maintained.

Limited protection for the trail and its surroundings was effected in 1938 by the so-called Appalachian Trailway Agreement entered into by the National Park Service, the U.S. Forest Service, 13 States and 2 interstate park commissions, and the Appalachian Trail Conference. These agreements have served to protect certain portions of the trail and its adjoining lands fairly satisfactorily. However, only lands in Federal and State ownership are covered and any such agreements may be superseded at any time by Federal projects.

Any projection of recent trends through the next 40 years leads to the conclusion that there is no hope of maintaining the present 2,000-mile continuous foot trail through a primitive environment close to our eastern cities without public protection of the route and adjoining lands. Since 14 States, 2 national parks and 5 national forests are involved, the only practical type of public protection would appear to result from congressional action.

If the trail is a valuable asset to the American people, present and future—and I certainly do believe that it is a valuable asset—action is needed to recognize the unique qualities of the trail as a primitive-type recreation facility and afford it Federal recognition and protection.

This bill would provide for coordination and cooperation between the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Defense, and any other Federal officials who now or hereafter administer Federal properties traversed by the Appalachian Trail. They, in turn, will give encouragement to and cooperate with the States, local communities, and private organizations, such as the Appalachian Trail Conference, and other persons in promoting the purposes of my bill.

The trail needs protection.

This bill will help provide protection for it. Just one example will emphasize what I mean: According to a recent report of the

Citizens Committee for the Outdoor Recreation Resources Review Commission, by the year 2000 our population will nearly double; the overall demand for outdoor recreation will triple. Not only will there be more people, but they will have more free time, more money, and more mobility. Already, the increase in demand for outdoor recreation is surging ahead of population growth. Whatever measuring rod is used, it is clear that Americans are seeking the outdoors as never before. And this is only a hint of what is to come.

Two out of three Americans now live in metropolitan areas and by the turn of the century three out of four will. It is here that demand for most types of outdoor recreation is concentrated. It is here that people have the greatest need for outdoor recreation. And it is here that needs will be most difficult to satisfy; the great bulk of demand must be met during after work and weekend hours and the larger cities and their suburbs have the fewer recreation facilities per capita and highest land costs.

As mobility continues to increase, more people will travel farther to enjoy outstanding scenic, wildlife and wilderness areas. These places are where you find them and they provide outdoor experiences of memorable quality which cannot be duplicated elsewhere. Continuing transportation improvements, higher incomes and longer vacations will result in increased pressures on high-quality recreation resources that now seem remote from population centers. Already, more than 40 percent of vacationers traveling by car travel more than 500 miles and more than 25 percent travel more than 1,000 miles. The number of passenger cars is expected to increase 80 percent by 1976 and another 80 percent by 2000.

The CORC report has already recommended that Congress should establish and preserve outstanding primitive areas as "wilderness areas," to be managed for the sole and unequivocal purpose of maintaining their primitive characteristics. There is a wilderness bill now before the Congress for substantially that purpose.

Parks and other recreation areas are only part of the answer. The most important recreation of all is the kind people find in their everyday life. What this means is an environment—an outdoor environment—an Appalachian Trail.

It is something of a tribute to Americans that they do as much cycling and walking as they do, for very little has been done to encourage these activities, and a good bit to discourage them.

The Appalachian Trail Conference is doing its bit to encourage them. The conference consists of some 55 maintaining clubs, 15 contributing clubs or a total of 70 different clubs along the route of the trail. The New York-New Jersey Trail Conference, as a body, is a member of the conference, and this consists of 21 more clubs, or a grand total of 91 clubs in the conference. The membership in any one of these clubs may range from 50 individuals to 9,000. The total membership is around 30,000. However, users of the trail are not just members of the clubs or the conference—there is no real count of them, and it is almost impossible to calculate just how many nonmembers do use the trail. However, each of these clubs and the conference itself consists of purely voluntary labor. They receive upward of 300 letters a day in regard to the trail. Guidebooks are written and published through voluntary help. The trail is kept cleared by voluntary labor. If this great asset is to be preserved for posterity, legislative action is needed now.

Mr. President, on behalf of the Senator from New Jersey [Mr. WILLIAMS], who could not be present at this time, I ask unanimous consent to have printed at this point in the RECORD a very fine history of the Appalachian

Trail, as prepared and printed by the Appalachian Trail Conference.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

"The Appalachian Trail is a continuous marked path—for travel on foot—extending through the mountain wilderness of the Eastern Atlantic States. It is, in its ideal, a skyline route along the crest of the ranges generally referred to as Appalachian—hence the name of this trail. It extends from Katahdin, a massive granite monolith in the central Maine wilderness, over 2,000 miles south to Springer Mountain in northern Georgia. This master trail has been opened throughout its length, marked and measured.

"The trail traverses 14 States. Its greatest elevation is 6,641 feet at Clingmans Dome in the Great Smokies. It is only slightly above sea level where it crosses the Hudson River at Bear Mountain.

"A project of real magnitude, the Appalachian trail might seem to have been the result of many suggestions. It can, however, be traced directly to one man—Benton MacKaye, of Shirley Center, Mass. Forester, philosopher, and dreamer, Mr. MacKaye conceived the plan of a trail which, for all practical purposes, should be endless. To MacKaye's mind this trail should be the backbone of a primeval environment, a sort of retreat or refuge from a civilization which was becoming too mechanized. MacKaye first presented his plan through an article, 'The Appalachian Trail—An Experiment in Regional Planning,' in the October 1921, issue of the Journal of American Institute of Architects. Others had previously advanced suggestions of extensive trails in the New England States but the conception of this supertrail was solely MacKaye's. His proposal aroused interest among leaders of the outdoor clubs in the Northeast. Clubs in New York City were the first to undertake actual work on this new trail. Under the leadership of the late Raymond H. Torrey, the first section of the trail was opened and marked during 1922 in the Palisades Interstate Park. For it, Maj. William A. Welch, then general manager of the park, designed the distinctive Appalachian trail marker and monogram. The New York-New Jersey Trail Conference was organized and the trail was carried west toward the Delaware River. Pennsylvania was also the scene of early activity.

"To gauge better the extent of this undertaking, it is of interest to turn back four decades to survey the then existing trail system and the organized groups which could be enlisted to further the project. First, and most striking, is the fact that all outdoor organizations in the East were confined to New England and New York. The Hudson River was then the frontier to the south and west.

"The existing trail systems, which in 1921 could be incorporated into this supertrail, numbered four. First, there were the splendidly maintained Appalachian Mountain Club trails in New Hampshire. In Vermont the lower 100 miles of the rapidly developing 'Long Trail,' begun in 1910, could be utilized. Between the White and Green Mountains was the Dartmouth College Outing Club's trail system. In New York there were the comparatively narrow Bear Mountain and Harriman sections of the Palisades Interstate Park. This was all—perhaps 350 miles out of a then necessary 2,050. Originally, however, the trail was estimated to be only 1,200 miles in length; its actual development has demonstrated the distance to be almost twice as long. In addition to these four sections were the national forests in the South, where connected skyline trails were subsequently developed to a degree unanticipated by those who early formulated the Appalachian Trail route.



"The first enthusiasm aroused by Mr. MacKaye's proposal in 1921 flared, waned and by 1926, had practically died out. The project was moribund; it had degenerated into a fireside philosophy. It was then that Arthur Perkins, a retired lawyer of Hartford, Conn., resurrected the project and made it once again a vital, living thing.

"He interested in it Myron H. Avery, of Lubec, Maine, and later Washington, D.C., who as chairman of the Appalachian Trail Conference from 1931 to 1952 enlisted the aid of hundreds of persons up and down the coast. To the enthusiasm and efforts thus aroused is due the practical completion of the trail project.

"The trail was initially completed in 1937 when the last 2 miles were opened on Mount Sugarloaf in Maine. The southern terminus was then Mount Oglethorpe, Ga. Major changes since then in Maine, Virginia, Tennessee, North Carolina, and Georgia have resulted in a stabilized trail route through scenic and more isolated regions.

"It is very interesting to note that the trail has been the pioneer. Interested individuals have carried the route forward; then, after them, have come the clubs to utilize and maintain the trail. One might have expected the reverse; that is, that the formation of clubs would precede the trail. But, with the exception of the 3-year-old isolated Smoky Mountains Hiking Club at Knoxville, Tenn., there were no organizations below Harrisburg, Pa. The penetration of the southern Appalachians began with the formation at Washington, D.C., in late 1927 of the Potomac Appalachian Trail Club. Numerous other Appalachian trail clubs followed, so that, with insignificant exceptions, the entire trail route is now apportioned among these energetic organizations. These clubs, aiding the trail project, and individuals comprise the Appalachian Trail Conference.

"The Appalachian Trail Conference functions through a board of 18 managers, 3 being elected from each of the 6 districts into which the trail route is divided. The chairman is the conference's executive officer.

"The conference is a volunteer amateur recreational group. It is an experiment in amateurism on a very extensive scale. All the activities of the conference and the labor of maintaining trails are contributed by those interested in the project. The conference has no salaried employees. The expenses incurred in its activities are contributions to the cause. Its budget is decidedly limited. By reason of this situation, it will be appreciated that the conference's financial resources restrict a desire to furnish, gratis, maps, guidebooks, and further information as to the trail. However, with a view of indicating the availability of the extensive literature which is obtainable, there is printed on the reserve side a list of publications, in which various topics of interest to trail users are set forth under appropriate headings.<sup>1</sup>

"The Appalachian Trail Conference now meets each third year. Its membership consists of four classes: Class A, clubs which maintains specific portions of the Appalachian Trail; class B, clubs which support, by other means, the Appalachian trail project; class C, public officials (Federal and State) who have charge of areas through which the trail passes and who maintain the

trail therein, and persons maintaining in an individual capacity certain designated portions of the trail; and class D, individual members. A class D member receives the publications (other than guidebooks) of the Appalachian Trail Conference which are issued during the membership period, including Appalachian Trailway News; this membership (dues \$5 annually) offers a distinct opportunity to individuals actively to support the Appalachian Trail. The conference urges the enlistment, in this form, of persons interested in the trail. Applications for this membership, with a brief biographical statement, should be addressed to the Appalachian Trail Conference, Washington, D.C.

"A word as to the manner of marking this trail. There have been many experiments in the development of a standard marker for the trail. The museum collection is extensive. The earliest marker was an embossed, copper square with the trail insignia. Its softness rendered it an easy prey to souvenir hunters, so the then ATC Chairman Perkins designed a diamond-shaped galvanized iron marker, with the trail monogram printed on it. However, the main reliance in marking the Appalachian trail is a rectangular paint blaze, 6 by 2 inches. These blazes are placed fore and aft—like highway markers—in the direction of travel. White is the prevailing color, and blue for side trails. There is only one approved variation from this uniform blaze. This is the so-called double blaze—two superimposed blazes or markers—which constitute a warning of an obscure turn or change in direction, which might be otherwise overlooked.

"With the view of standardizing trail practices and thereby contributing to improved maintenance, the Appalachia Trail Conference has issued a manual on trail construction. This manual details the procedure to be followed in constructing, maintaining and marking the Appalachia trail.

"Originally, the Appalachian trail was a foot trail, the distinguishing feature of which was its practically endless character. Subsequently, by virtue of the so-called Appalachian trailway agreement, this area has attained a distinctive status. In the eight national forests and two national parks which the route traverses—federally owned land—a narrow zone, 1 mile in width, has been set apart on each side of the trail. In this area there are to be no new paralleling roads or other incompatible developments. In fact it is the creation of a new recreational area, reserved for the benefit of those who walk and camp. In 13 of the 14 States through which the route passes, similar agreements, for a lesser width, have been effected. Thus, the Appalachia trail passes into its second stage, the Appalachian trailway, a narrow, isolated zone set apart for those who find their recreation by virtue of their own unaided efforts.

"In addition to the development of an actual trail, the Appalachian Trail Conference has issued very extensive literature on trail technique and attendant phases of trail construction. For a person who has had no prior experience in travel along the Appalachian trail or on other trails, the conference particularly commends its publication No. 15, 'Suggestions for Appalachian Trail Users.' This publication has been prepared to answer many types of inquiry addressed to the conference. A perusal of the booklet will be of value even to the experienced trail traveler.

"Of primary importance is the issuing of guidebooks to the trail. The measuring of the trail and the obtaining of trail data kept progress with the actual construction of the trail. A number of local guides have crystallized into a series of guidebooks for the entire Appalachian Trail. The conference has also issued a comprehensive pamphlet, detailing

the history, route, guidebook data, and literature on the trail project.

"The guidebooks for the Appalachia trail furnish necessary information preliminary to the trip. Accommodations are specifically set forth. The accommodations along the trail route are of two types: public, such as farmhouses, inns or camps on or adjacent to the trail; the second class is the shelter of the open type, known as a lean-to.

"Shelters, closed and open, are absolutely essential to a finished through trail. The ideal is a continuous chain of such structures at intervals of a moderate day's journey, say 7¼ miles, so that an active hiker may utilize every other one, yet a family party or one exploring side trails, photographing or observing the flora or geology, may have time for such activities and still find shelter each night.

"Since 1937 the plan of providing a continuous chain of open shelters along the Appalachian trail has been vigorously pressed by the conference. As of 1963, there are 221 of these structures along the trail. (Some do not have bunks.) In addition, there are two authorized campsites. In some sections there are long continuous units. From the northern terminus at Katahdin to the Vermont-Massachusetts line there is an unbroken chain of structures, with the exception of one still to be built at Rattle River in the White Mountain National Forest. In the central Appalachians in southern Pennsylvania, Maryland, and northern Virginia, there is a chain of 39 lean-tos, extending over 285 miles. After a gap of 27 miles there is through the Pedlar District of the George Washington and Glenwood Districts of the Jefferson National Forest a chain of lean-tos for 110 miles. Beyond this, in the Jefferson and Cherokee National Forests there is a chain of 15 lean-tos in 142 miles, with 3 to the south, and 6 to the north at varying intervals and the gaps are being rapidly filled. In the far southern Appalachians, in the contiguous Pisgah National Forest and Great Smoky Mountains National Park, there is a chain of 19 structures, extending over a distance of 130 miles. The chain is continuous for the southernmost 130 miles in the Nantahala and Georgia National Forests. The trail through publicly owned lands will eventually be 'complete,' as far as this chain of lean-tos is concerned.

"And now a brief word as to the route or geography of the trail. From Katahdin the trail leads in Maine, for 279 miles through an utter wilderness, past lake and stream over a disconnected series of peaks. It meets its first pronounced mountain group in the White Mountains of central New Hampshire, which it crosses from east to west. Near Rutland, Vt., the trail turns south for 100 miles along the Green Mountains. In western Massachusetts and northwest Connecticut, the route traverses the Berkshire and Taconic groups, the worn-down remnant of a once much loftier range. The Hudson River is crossed at Bear Mountain Bridge. Then the trail leads close to the New York-New Jersey line, over a seemingly endless series of ridges, on its course to the Kittatinny Mountains at High Point Park. Here, for the first time, a narrow ridge crest indicates the route. Beyond the Delaware River, this front range of the Alleghenies becomes Blue Mountain. It and the ridges to the north are followed until, 8 miles beyond the Susquehanna River, the first major change of route is made. The Alleghenies are left and the trail crosses the Cumberland Valley, by secondary roads, to the northern base of the Blue Ridge. Here commences the range which is followed to the southern terminus of the trail. Through southern Pennsylvania and Maryland, where it bears the name of South Mountain, the Blue Ridge continues as a narrow crest line where trail location offers

<sup>1</sup> Full information as to current developments on the Appalachian trail is available through its publication, Appalachian Trailway News. This journal, issued three times a year (subscription \$1.50 per year) not only affords an opportunity to be fully informed as to happenings on the Appalachian Trail route but offers an opportunity to lend support, in some measure, to the trail project. Subscriptions are urged.



few problems. Three hundred miles south in Virginia, where the Roanoke River breaks through the range, the Blue Ridge forks. These forks, sometimes 100 miles apart, form an immense oval, coming together again at Springer Mountain in northern Georgia, the southern terminus of the trail. Lofty, transverse ranges, enclosing beautiful elevated valleys, connect the two forks. The eastern rim keeps the name Blue Ridge; the western rim is divided by rivers.

"The major route problems of the trail came here. There was one fixed point—the trail must pass through the Great Smokies on the western rim. The route originally utilized the eastern rim to New River in southern Virginia, then crossed the plateau between the rims to the western fork at Iron Mountain and continued south. In 1954 the trail was relocated to follow the western rim. At the southern end of the Great Smokies, a cross-range, the Nantahala Mountains, leads back to the eastern rim, which is followed to Springer Mountain, the southern terminus of the trail.

"The brief résumé merely serves to indicate the character of the Appalachian trail. Its successive changing zones of birds, animal, and plant life fascinate the traveler. It is indeed a guide to the study of nature. Of it has been written by one who served it well during an all too short life: 'Remote for detachment, narrow for chosen company, winding for leisure, lonely for contemplation, the trail leads not merely north and south but upward to the body, mind, and soul of man.'

"The length of the trail is now approximately 2,000 miles.

"The length in the several States is now:

	Miles
"Maine.....	279.23
New Hampshire.....	153.42
Vermont.....	133.76
Massachusetts.....	82.69
Connecticut.....	55.75
New York-New Jersey.....	158.75
Pennsylvania.....	215.87
Maryland.....	37.14
Virginia.....	462.28
Tennessee.....	112.60
North Carolina-Tennessee.....	147.79
North Carolina.....	79.67
Georgia.....	76.44"

#### DEMOCRACY REACHES FARTHER WESTWARD ACROSS PACIFIC

Mr. GRUENING. Mr. President, an event of real significance in the history of man's progress on earth occurred 3 days ago and was completely overlooked by the press. I think this is not hard to understand in view of the remote area in which it occurred.

On January 19, the first free elections ever held in that part of the world were

conducted in Micronesia when the people of the Trust Territory of the Pacific Islands elected legislators. Thus did self-government come to yet another part of the globe.

The United States administers Micronesia under a trusteeship for the United Nations. Most of these islands had been overrun and seized by the Japanese during World War II. Our forces, as they worked their way through the western Pacific Ocean, liberated them one by one. The names of island groups in Micronesia will be well remembered by many GI's and their loved ones. They include the Marshall, Caroline, and Mariana Islands, where many important battles were fought and many American young men gave their lives.

Since the war the Trust Territory of the Pacific Islands has offered a window to the world on what can be accomplished in promoting real democracy. I am proud of the fact that a man who was born in Skagway, Alaska, is the very able High Commissioner of the Trust Territory of the Pacific Islands. He is M. Wilfred Goding. One of his principal assistants until recently was also an Alaskan—Joseph T. Flakne, who has now retired.

In Micronesia there are great opportunities for the United States to promote and develop ideals that will counter and defeat Communist ideas and subversion. The people of Micronesia are making great economic, cultural, and political progress. The eyes of the world are on this progress.

Recently a United Nations mission in reporting to the U.N. on its inspection trip to the islands, recognized the good work that is being accomplished. The mission's members were from Liberia, New Zealand, Great Britain, and China. They applauded the evidence of political development in the islands since their last visit in 1961. They spoke of the political freedom that prevails and especially of the amicable relations between the American administration and the islanders. They stressed that besides political progress there have been great cultural and economic advances accomplished.

Such reports are not common in the United Nations where debates about trust or colonial territories evoke the familiar charges of exploitation. The strongest impression carried away by the mission was a new sense of unity among the

island people. The mission's report emphasized that this was no small achievement in a trust territory consisting of 2,000 islands scattered across 3 million square miles of ocean.

The political development of the islands has been so successful as to make possible elections and the establishment of a Micronesian parliamentary government. This is being accomplished by this week's free election of members of both houses of the legislature.

Mr. President, a few years ago our Government was experimenting on one of the islands of Micronesia, Eniwetok, with a great force unleashed in very recent times. This was the atomic bomb. I suggest that the new force being unleashed in Micronesia in the form of political self-government will in the long run prove to be even more important—and revolutionary. I am pleased to be able to bring to the people of the United States this good news of another great forward step in man's progress.

And it is heartening that that great step forward has taken place under U.S. guidance, U.S. sponsorship, U.S. leadership. Thus, westward not the course of empire but of democracy takes its way.

#### ADJOURNMENT UNTIL TUESDAY

Mr. GRUENING. Mr. President, if there is no further business to come before the Senate, under the order previously entered, I move that the Senate stand in adjournment until Tuesday next, at noon.

The motion was agreed to; and (at 1 o'clock and 27 minutes p.m.) the Senate adjourned, under the previous order, until Tuesday, January 26, 1965, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate January 22, 1965:

Adm. James S. Russell, U.S. Navy, for appointment to the grade of admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

Having designated, under the provisions of title 10, United States Code, section 5231, Vice Adm. John S. Thach, U.S. Navy, for commands and other duties determined by the President to be within the contemplation of said section, I nominate him for appointment to the grade of admiral while so serving.









SENATE -  
JAN. 26, 1965

6. LEGISLATIVE PROGRAM. Rep. Albert stated that the House would be in adjournment from Feb. 10 to Feb. 16 for observance of Lincoln's birthday. p. 1144

SENATE

7. BUDGET. Received the President's 1966 Budget (H. Doc. 15). pp. 1189-95. For excerpts from the Budget message and a table showing new obligational authority for this Department for fiscal years 1964 and 1965, and budget estimates for 1966, see Digest 16.

Sen. Clark commended and discussed the merits of the President's Budget. pp. 1290-5

Sen. Williams, Del., stated that "It is interesting to note that in this budget, although the Commodity Credit Corporation's losses are listed as \$3.2 billion, an appropriation of only \$2.3 billion are asked for in this connection. That means that \$900 million will not be reimbursed. This money, having been lost, whether it is reimbursed this year or next year, actually is an expenditure." p. 1289

The President's budget message includes legislative recommendations as follows: Extension and improvement of the wheat, feed grains, and cotton programs and the National Wool Act. Authorization of an insured rural housing loan program for 1966 of up to \$350 million in insured loans. Proposed legislation "under which insured private credit will replace most of the direct Federal loans for the rural housing and farm ownership programs." Authorization of an REA loan account under which collections on outstanding electrification and telephone loans would be used to help finance new loans. Authorization of a user charge to finance part of the cost of Soil Conservation Service technical assistance to farmers in installing conservation practices on their farms. Authorization of a system of user charges to finance the full cost of meat and poultry inspection, grading of wheat, cotton and tobacco, and inspection of warehouses. Authorization of river basin planning commissions and grants to States for planning the best use of water resources. Extension of the Area Redevelopment Act beyond June 30, 1965. Creation of a Department of Housing and Urban Development. Authorization to broaden grants to State and local air and water pollution control agencies, provide grants for projects to reduce water pollution caused by combined storm and sanitary sewers, and initiate research and demonstration projects relating to disposal of solid wastes. Proposals to "broaden and improve" the Manpower Development and Training Act of 1962. Authorization of a program of aid to Appalachia. Permanent extension of the Reorganization Act of 1949. Authorization for the President to use up to 5 percent of Public Law 480 foreign currencies in countries in which U. S. balances are in excess of regular needs.

The Government Operations Committee reported without amendment S. 2, to amend the Legislative Reorganization Act of 1946 to create a Joint Committee on the Budget. (S. Rept. 6). p. 1201

8. FARM LABOR. The Labor and Public Welfare Committee reported without amendment S. Res. 24, to authorize the Committee to examine, investigate, and study matters relating to migratory labor. p. 1201

9. STOCKPILING. Sen. Byrd, Va., inserted a report of the Joint Committee on Reduction of Nonessential Federal Expenditures on stockpile inventories, including agricultural commodities. pp. 1203-12

10. FARM PROGRAM. Sen. McCarthy questioned the accuracy of the budget message regarding farm prices, stating that the farmer's problem "is one of low prices, that fall far short of parity." pp. 1257-8  
Sen. Miller inserted an editorial, "Freedom and the Farmer." pp. 1259-60  
Sen. Burdick inserted an editorial stating that "before subjecting the agricultural programs to indiscriminate cutting, an effort should be made to weigh their costs and benefits." p. 1272
11. FORESTS. Sen. Jordan, Ida., spoke of the need of awareness of our great resources such as exist in the national forests and inserted texts of two acceptance speeches made on the occasion of the awarding of a commendation to the U. S. Forest Service. p. 1269-70
12. APPALACHIA. At the request of Sen. Randolph, unanimous consent was granted for the Public Works Committee to file a report on S. 3, the Appalachia bill, by Wed., Jan. 27. p. 1254
13. GOVERNMENT OPERATIONS. The Government Operations Committee reported an original resolution, S. Res. 54, authorizing the Committee to make studies as to the efficiency and economy of the operations of the Government. pp. 1201-2  
The Government Operations Committee reported an original resolution, S. Res. 59, authorizing the Committee to study intergovernmental relationships between the U. S. and the States and municipalities. pp. 1202-3
14. WATER POLLUTION. Sens. Javits and Cooper submitted and discussed amendments intended to be proposed to S. 4, to amend the Federal Water Pollution Control Act. pp. 1252-3, 1253-4
15. RECREATION. Sen. Douglas commended Sen. Nelson's proposal that the St. Croix River be reserved for recreation development. pp. 1301-4
16. FAMILY FARMS. Sen. McGovern inserted a statement to the President from the Conference on Farm, Commodity, and Rural Church Leaders calling for increased farm income and policies that will assure "that the family farm be preserved and strengthened." p. 1272
17. LEGISLATIVE PROGRAM. Sen. Mansfield stated that the USDA supplemental appropriation bill and water pollution bill will be considered on Thurs., and the Appalachia on Fri. p. 1264

#### ITEMS IN APPENDIX

18. EXTENSION SERVICE. Extension of remarks of Sen. Talmadge inserting an article paying tribute to L. W. Eberhardt, Jr., director of the Ga. Agricultural Extension Service, as the "man of the year" in service to agriculture. pp. A282-3
19. FARM LABOR. Extension of remarks of Rep. Teague, Calif., inserting an article, "Harvest of Shame," describing the farm labor problem in Calif. and stating that due to the lack of the bracero program the "agricultural economy of the Nation's No. 1 farming State teeters on the brink of disaster." pp. A285-6



I ask unanimous consent to have printed at this point in the RECORD the text of my amendment and the text of a letter from the New York State Conference of Mayors to the President of the United States describing the need for modification in the existing water pollution legislation.

There being no objection, the amendment and letter were referred to the Committee on Public Works and ordered to be printed in the RECORD, as follows:

#### AMENDMENT NO. 4

On page 5, beginning with line 11, strike out all through line 17, and insert in lieu thereof the following:

"SEC. 4. (a) Subsections (b) and (c) of the section of the Federal Water Pollution Control Act herein redesignated as section 8 are amended to read as follows:

"(b) Federal grants under this section shall be subject to the following limitations: (1) No grant shall be made for any project pursuant to this section unless such project shall have been approved by the appropriate State water pollution control agency or agencies and by the Secretary and unless such project is included in a comprehensive program developed pursuant to this Act; (2) no grant shall be made for any project in an amount exceeding 30 per centum of the estimated reasonable cost thereof as determined by the Secretary: *Provided*, That the grantee agrees to pay the remaining cost: *Provided further*, That, in the case of a project which will serve more than one municipality the Secretary shall, on such basis as he determines to be reasonable and equitable, allocate to each municipality to be served by such project its share of the estimated reasonable cost of such project, and shall then apply the limitation provided in this clause (2) to each such share as if it were a separate project to determine the maximum amount of any grant which could be made under this section with respect to each such share; (3) no grant shall be made for any project under this section until the applicant has made provision satisfactory to the Secretary for assuring proper and efficient operation and maintenance of the treatment works after completion of the construction thereof; and (4) no grant shall be made for any project under this section unless such project is in conformity with the State water pollution control plan submitted pursuant to the provisions of section 7 and has been certified by the State water pollution control agency (A) as entitled to priority over other eligible projects on the basis of financial as well as water pollution control needs, or (B) for reimbursement pursuant to subsection (c).

"(c) In determining the desirability of projects for treatment works and of approving Federal financial aid in connection therewith, consideration shall be given by the Secretary to the public benefits to be derived by the construction and the propriety of Federal aid in such construction, the relation of the ultimate cost of constructing and maintaining the works to the public interest and to the public necessity for the works, and the adequacy of the provisions made or proposed by the applicant for such Federal financial aid for assuring proper and efficient operation and maintenance of the treatment works after completion of the construction thereof. The sums appropriated pursuant to subsection (d) for any fiscal year shall be allotted by the Secretary from time to time, in accordance with regulations, as follows: (1) 50 per centum of such sums in the ratio that the population of each State bears to the population of all the States, and (2) 50 per centum of such sums in the ratio that the urban population of each State bears to the urban population of all the States. Sums allotted to a State under the preceding sentence which

are not obligated within six months following the end of the fiscal year for which they were allotted because of a lack of projects which have been approved by the State water pollution control agency under subsection (b) (1) of this section and certified under subsection (b) (4) of this section, shall be reallocated by the Secretary, on such basis as he determines to be reasonable and equitable and in accordance with regulations promulgated by him, to States having projects approved under this section for which grants have not been made because of lack of funds: *Provided, however*, That whenever a State has funds subject to reallocation and the Secretary finds that the need for a project in a community in such State is due in part to any Federal institution or Federal construction activity, he may, prior to such reallocation, make an additional grant with respect to such project which will in his judgment reflect an equitable contribution for the need caused by such Federal institution or activity. Any sum made available to a State by reallocation under the preceding sentence shall be in addition to any funds otherwise allotted to such State under this Act. The allotments of a State under the second and third sentences of this subsection shall be available, in accordance with the provisions of this section, for payments with respect to projects in such State which have been approved under this section, except that in the case of any project constructed in such State after the date of enactment of the Water Quality Act of 1964 which meets the requirements for assistance under this section but was constructed without such assistance, such allotments shall also be available for payments in reimbursement of State or local funds used for such project to the extent that assistance could have been provided under this section if such project had been approved pursuant to this section and funds available. For purposes of this section population, including urban population, shall be determined on the basis of the latest decennial census for which figures are available, as certified by the Secretary of Commerce."

(b) Subsection (d) of such section 8 is amended by striking out the colon preceding the word "*Provided*" and all after such colon to the period at the end of such subsection.

#### NEW YORK STATE CONFERENCE OF MAYORS AND OTHER MUNICIPAL OFFICIALS,

Albany, N.Y., January 11, 1965.

The Honorable LYNDON B. JOHNSON,  
President of the United States,  
The White House,  
Washington, D.C.

DEAR MR. PRESIDENT: On the 30th of December last, Gov. Nelson A. Rockefeller, of our State, wrote to you urging that you exercise your leadership and influence to make the sewage disposal assistance program of the Federal Government, under Public Law 660, a more realistic and effective tool in the vital fight for water pollution abatement.

As representatives of the 12.5 million persons who live in the cities and villages of New York State, and on behalf of all 16.8 million of our citizens in the State, we, too, urge you most vigorously to take such action.

The money heretofore allocated to projects in our State has helped us to make significant progress in the water pollution abatement fight. Unfortunately, however, most of the progress to date has come about through the solution of the less complex and less expensive problems.

As reported by the temporary State commission on water resources planning, we now face the hard core of the more complex, more difficult, and more expensive pollution problems. These are our biggest and our worst problems. These are the ones thrusting the burden of financial hardship most severely upon our communities.

The relatively small amount of money allocated to the State of New York, and the strict dollar limitation placed upon each project combine to make the Federal program completely inadequate to help us meet our present situation.

We feel a particular concern because in almost every, if not every, Federal assistance program the taxpayers of our State pay so much more into the program in taxes than we receive back in assistance. In the particular matter of water pollution abatement we feel that the magnitude of our problems, like the needs of New York City where a single project cost \$87.6 million, and with the allocation of Federal funds falling far short of meeting the requirements for the projects submitted for approval each year, merits our receiving a full share of Federal assistance for this vital activity.

We therefore urge upon you, most respectfully, yet most emphatically, the necessity and the equity of a program in which the Federal Government will assume financial responsibility for a full 30 percent of the cost of all approved sewage disposal facility construction, without any dollar restriction upon any project. We concurrently urge our State to assume a similar share of the cost, a program to which our Governor already has committed himself.

The citizens of the State of New York, and particularly its 12.5 million urban residents, urgently need and will deeply appreciate your utmost assistance in this matter.

Respectfully yours,

RAYMOND J. COTHRAN,  
Executive Director.

#### AMENDMENT OF FEDERAL WATER POLLUTION CONTROL ACT, AS AMENDED (AMENDMENT NO. 5)

Mr. COOPER. Mr. President, I send to the desk an amendment to S. 4, a bill to amend the Federal Water Pollution Control Act, as amended.

Last year, although I was in sympathy with the objectives of the bill introduced by Senator MUSKIE, and passed by the Senate. I opposed the bill because I believed it vested absolute power in the Secretary of Health, Education, and Welfare, or in his Assistant Secretary, to fix standards of water quality applicable to interstate water.

The amendment which I send to the desk, and which I ask to have printed in the body of the RECORD, would establish procedures that would, at minimum, give to the States and to interstate agencies acting under compacts, municipalities, and industries which are directly concerned the right to be heard concerning water quality standards, promulgated by the Secretary, to present their views in a public hearing after the standard had been published and to propose revisions of such water quality standards; and finally the right of appeal to the Circuit Courts of Appeals.

The procedures which I propose, would assure justice to the States and other interested parties. They would not obstruct the essential purpose of the bill—to establish water quality standards. They would assure the standards which the Secretary promulgates are in accord with the criteria under which he is required to act.

The VICE PRESIDENT. The amendment will be received and appropriately referred. Without objection, the amendment will be printed in the RECORD.

The amendment is as follows:



The VICE PRESIDENT. The amendment will be received, printed, and referred to the Committee on Public Works, and, without objection, the amendment will be printed in the RECORD.

The amendment (No. 5) is as follows:

Beginning with line 13, page 7, strike out all to and including line 14, page 8, and insert in lieu thereof the following:

"(c) (1) In order to carry out the purpose of this Act, the Secretary may, after consultation with the Secretary of the Interior and with other Federal agencies, with State and interstate water pollution control agencies, and with municipalities and industries involved, to obtain the views of such officer and such agencies, municipalities, and industries, and after such public hearings as he may deem advisable, prepare proposed regulations setting forth standards of water quality to be applicable to interstate waters or portions thereof.

"(2) Standards of quality prescribed by regulations adopted under paragraph (1) shall be such as to protect the public health and welfare and carry into effect the purposes of this Act. In establishing such standards with respect to any waters, there shall be taken into consideration (A) the use and value of such waters for public water supplies, agricultural, industrial and commercial use, the propagation of fish and wildlife resources.

"(3) Such proposed regulations shall be published in the Federal Register, and copies thereof shall be transmitted to all Federal, State and interstate water pollution control agencies, municipalities, and industrial organizations involved. Upon request made within ninety days after publication of such proposed regulations by one or more of the States, interstate agencies, municipalities, and industrial organizations (referred to hereinafter as 'interested parties') affected, the Secretary shall conduct public hearings upon such proposed regulations at a place convenient to the interested parties. In any such hearing, interested parties shall be accorded adequate opportunity to obtain and present necessary evidence in support of their contentions, and shall be entitled to propose revisions and modifications of the proposed regulations. Upon the basis of all evidence received in any such hearing, the Secretary shall prepare and transmit to each party to the hearing his report thereon, which shall contain a full and complete statement of his findings of fact and his conclusions with respect to issues presented at the hearing. The Secretary may, thereupon, affirm, rescind, or modify in whole or in part such proposed regulation.

"(4) If any interested party is dissatisfied with the Secretary's action with respect to it under this subsection, it may appeal to the United States court of appeals for the circuit in which such State (or any of the member States, in the case of an interstate agency) is located. The summons and notice of appeal may be served at any place in the United States. The findings of fact by the Secretary, unless contrary to the weight of the evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action. Such new or modified findings of fact shall likewise be conclusive unless contrary to the weight of the evidence. The court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as pro-

vided in title 28, United States Code, section 1254.

"(5) Such regulations shall become effective only if, within a reasonable time after being requested by the Secretary to do so, the appropriate States and interstate agencies have not developed standards found by the Secretary to be consistent with paragraph (2) of this subsection and applicable to such interstate waters or portions thereof."

#### AMENDMENT OF IMMIGRATION AND NATIONALITY ACT (AMENDMENT NO. 6)

Mr. SCOTT. Mr. President, I submit, for appropriate reference, an amendment to S. 436, a bill to amend the Immigration and Nationality Act, and for other purposes, which I introduced on January 12. My amendment is technical and corrective in nature, and I ask unanimous consent that it be printed at the conclusion of my remarks.

The VICE PRESIDENT. The amendment will be received, printed, and appropriately referred.

The amendment (No. 6) was referred to the Committee on the Judiciary, as follows:

On page 2, line 11, after "assigned" insert "annually thereafter".

On page 16, between lines 5 and 6, insert the following new subsection:

"(c) Section 272(a) of the Immigration and Nationality Act (8 U.S.C. 1322) is amended (1) by deleting (3) an epileptic, and (2) by redesignating clauses '(4)', '(5)', '(6)', '(7)', and '(8)', as clauses '(3)', '(4)', '(5)', '(6)', and '(7)', respectively."

#### BANKING AND CURRENCY SUBCOMMITTEE ASSIGNMENTS

Mr. ROBERTSON. Mr. President, the Banking and Currency Committee had its organization meeting this morning. I ask unanimous consent that the assignments of the members of the committee to subcommittees be printed in the RECORD at this point.

There being no objection, the assignments were ordered to be printed in the RECORD, as follows:

##### COMMITTEE ON BANKING AND CURRENCY SUBCOMMITTEES

###### FINANCIAL INSTITUTIONS

Robertson, chairman; Sparkman, Douglas, Proxmire, Williams, Muskie, Long, Bennett, Tower, and Thurmond.

###### HOUSING

Sparkman, chairman; Douglas, Proxmire, Williams, Muskie, Long, McIntyre, Tower, Bennett, and Hickenlooper.

###### INTERNATIONAL FINANCE

Muskie, chairman; Sparkman, Proxmire, Williams, Neuberger, McIntyre, Mondale, Hickenlooper, Bennett, and Tower.

###### PRODUCTION AND STABILIZATION

Douglas, chairman; Robertson, Proxmire, Muskie, Long, Neuberger, Mondale, Bennett, Tower, and Thurmond.

###### SECURITIES

Williams, chairman; Robertson, Muskie, Long, Neuberger, McIntyre, Mondale, Thurmond, Bennett, and Hickenlooper.

###### SMALL BUSINESS

Proxmire, chairman; Robertson, Sparkman, Douglas, Neuberger, McIntyre, Mondale, Tower, Thurmond, and Hickenlooper.

#### AUTHORITY TO FILE REPORT TOMORROW ON S. 3, APPALACHIAN REGIONAL DEVELOPMENT BILL

Mr. RANDOLPH. Mr. President, I ask unanimous consent that I may file a report tomorrow, Wednesday, January 27, irrespective of whether the Senate be in session, on S. 3, the Appalachian regional development bill, this report to come from me through the Committee on Public Works.

The VICE PRESIDENT. Without objection, it is so ordered.

#### ADDITIONAL COSPONSORS OF INDIANA DUNES NATIONAL LAKE-SHORE BILL

Mr. DOUGLAS. Mr. President, I ask unanimous consent that at next printing the names of the senior Senator from New Jersey [Mr. CASE], the junior Senator from Maryland [Mr. TYDINGS], the junior Senator from Connecticut [Mr. RIBICOFF], the senior Senator from Wyoming [Mr. McGEEL], and the junior Senator from Louisiana [Mr. LONG] be added as additional cosponsors of S. 360, to establish the Indiana Dunes National Lakeshore.

This makes a total of 33 Senators, which is an imposing number.

The VICE PRESIDENT. Without objection, it is so ordered.

#### ADDITIONAL COSPONSOR OF BILL

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the name of the senior Senator from New York [Mr. JAVITS] be added to S. 507 at the next printing of the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

#### ADDITIONAL COSPONSORS OF BILLS

Mr. RIBICOFF. Mr. President, I ask unanimous consent that at its next printing the name of the Senator from New Jersey [Mr. WILLIAMS] be added as a cosponsor of S. 100, a bill to establish a Department of Education.

I also ask unanimous consent that at its next printing the names of the Senator from Oregon [Mr. MORSE] and the Senator from Indiana [Mr. HARTKE] be added as cosponsors of S. 488, a bill to amend title V of the Social Security Act to assist States and communities to establish programs for the identification, care and treatment of children who are or are in danger of becoming emotionally disturbed.

The VICE PRESIDENT. Without objection, it is so ordered.

#### WEST COAST DISASTER RELIEF—ADDITIONAL COSPONSORS OF BILL

Mr. MORSE. Mr. President, I ask unanimous consent that at the next printing of the bill, S. 327, the names of the Senators from Alaska [Mr. BARTLETT and Mr. GRUENING] be added as cosponsors.









# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official business

Postage and fees paid

U. S. Department of Agriculture

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued January 28, 1965

For actions of January 27, 1965

89th-1st; No. 18

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HIGHLIGHTS: Senate committee reported water pollution control bill. "Daily Digest" states that Senate committee reported Appalachia bill. Sen Lausche expressed reservations on this bill. Sen. Yarborough urged programs to aid family farmer. Senate passed bill to establish Joint Committee on the Budget. Sen. Ellender introduced and discussed bill to increase ACP small payments to family farms. Sen. Kuchel introduced and discussed bill to establish minimum wage for agricultural workers. Sen. Nelson and Rep. Kastenmeier introduced and Rep. Kastenmeier discussed bills to authorize school lunch and welfare programs abroad. Rep. Horton introduced and discussed bill to continue indemnity payment for dairy farmers.

### HOUSE

1. COMMITTEE ASSIGNMENTS. Appropriations Committee subcommittees have been selected as follows:  
Agriculture and Related Agencies: Jamie L. Whitten, Miss. (Chairman); William H. Natcher, Ky.; W. R. Hull, Jr., Mo.; Thomas G. Morris, N. M.; Robert H. Michel, Ill.; and Odin Langen, Minn.  
Interior and Related Agencies: Winfield K. Denton, Ind. (Chairman); Michael J. Kirwan, Ohio; Julia Butler Hansen, Wash.; John O. Marsh, Jr., Va.; Ben S. Reifel, S. Dak.; and Joseph M. McDade, Pa.

2. PUBLIC LAW 480. Reps. White, Tex., and Cleveland praised House action prohibiting agriculture commodity sales to the United Arab Republic under title I of Public Law 480. pp. 1365, 1371-2
3. HOUSING. Both Houses received a message from the President transmitting the annual report of the Housing and Home Finance Agency for 1963 (H. Doc. 64). pp. 1311, 1366
4. SPACE; RESEARCH. Both Houses received a message from the President transmitting a report, "United States Aeronautics and Space Activities, 1964" (H. Doc. 65). pp. 1311, 1366

SENATE

5. WATER POLLUTION. The Public Works Committee reported with amendments S. 4, the water pollution control bill (S. Rept. 10)(p. 1312). The bill was made the pending business (p. 1332).
6. APPALACHIA. The "Daily Digest" states that the Public Works Committee reported with amendments S. 3, the Appalachia regional development bill (S. Rept. 13) (p. D41). At the request of Sen. Mansfield, unanimous consent was granted for the minority to file views on this bill (p. 1316). Sen. Lausche expressed opposition to including any provision in the bill to aid in pastureland development in the Appalachian region (p. 1332).
7. BUDGET. Passed without amendment S. 2, to provide for the establishment of a Joint Committee on the Budget, composed of members of the Senate and House Appropriations Committees, to review all matters relating to the annual budget of agencies of the Federal Government. pp. 1321-3, 1327-8
8. FARM PROGRAM. Sen. Long, Mo., inserted an article reviewing the situation with regard to the feed grains program and expressing hope that the administration will "follow through and make every possible effort to strengthen farm programs to meet farmers' need for higher farm income." pp. 1329-30
9. FAMILY FARM. Sen. Yarborough expressed concern over poverty and unemployment in rural areas, urged that we "reorient and realine our farm programs, so as to protect, promote, and encourage the family-type pattern of agriculture," and inserted an editorial in support of his position. pp. 1339-40
10. DISASTER RELIEF. The Banking and Currency Committee reported with amendments S. 408, to authorize a study of methods of helping to provide financial assistance to victims of future flood disasters (S. Rept. 11)(p. 1312). Sen. Bartlett urged enactment of the bill (pp. 1335-7).
11. FORESTRY. Sen. Neuberger inserted an editorial critical of the sale of uncut logs from the Pacific Northwest to Japan, "Save Our Logs at Olympia." pp. 1330-1
12. NOMINATIONS. Confirmed the nomination of Arthur M. Okun to be a member of the Council of Economic Advisers, and the nomination of several persons to be members of the National Commission on Technology, Automation, and Economic Progress. p. 1312



## APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

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JANUARY 27, 1965.—Ordered to be printed

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Mr. RANDOLPH, from the Committee on Public Works, submitted the following

## REPORT

together with

## INDIVIDUAL VIEWS

[To accompany S. 3]

The Committee on Public Works, to whom was referred the bill (S. 3), to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are shown in italic type in the reported bill.

THE NEED FOR APPALACHIAN REGIONAL  
DEVELOPMENT

The Appalachian region, which stretches diagonally from northern Pennsylvania to central Alabama, has been referred to by the President's Appalachian Regional Commission as "a region apart—geographically and statistically." In the language of the Commission's 1964 report to the President:

It is a mountain land boldly upthrust between the prosperous eastern seaboard and the industrial Middle West  
\* \* \*. Its ridges and twisted spurs and valleys measure to 165,000 miles—an area 10 times the size of Switzerland.

Appalachia has natural advantages which might normally have been the base for a thriving industrial and commercial complex. Below its surface lie some of the Nation's richest mineral deposits including the seams which have provided almost two-thirds of the Nation's coal supply. The region receives an annual rainfall sub-

stantially above the national average. More than three-fifths of the land is forested. Its mountains offer some of the most beautiful landscapes in Eastern America readily lending themselves to tourism and recreation.

Yet this natural endowment has benefited too few of the 15.3 million people of Appalachia. The average Appalachian, whether he lives in a metropolis, in town, on the farm, or in a mountain cabin, has not matched his counterpart in the rest of the United States as a participant in the Nation's economic growth.

Regional economic development of Appalachia is required not only to extend the benefits of American prosperity to the citizens of this neglected region. Such development will also be of direct and indirect benefit to the rest of the Nation.

The current Federal costs for public welfare assistance in Appalachia exceed \$375 million annually, a disproportionate share of which is supported by taxes from outside the region. This is evident when it is noted that while Appalachia contains only 8.5 percent of the Nation's population, it receives almost 12 percent of the Federal public assistance funds.

Yet in the Federal activities which generate and stimulate the economy—as distinguished from welfare payments—the record is again one of neglect and deprivation, as is evidenced by the fact that Appalachia receives less than 5 percent of total Federal expenditures, exclusive of trust fund and interest expenditures.

Thus, a mere continuation of present Federal policies without modification would perpetuate the condition of a region on the dole.

The program proposed by S. 3 would, the committee believes, in the long run eliminate much of the need for public assistance payments by development of the region's natural and human resources.

Economic studies have demonstrated that if Appalachia's economy merely equaled the national average, \$4 billion would be added to our gross national product through retail sales. (This is an amount equivalent to the total commercial sales of goods and services of the United States to the entire rest of the world. One need only consider the employment that foreign sales produce to realize the beneficial impact that Appalachian economic recovery would have on the remainder of the country.) Our annual rate of personal income could be increased by \$5.2 billion; and another billion dollars could be added in new housing construction.

Such data merely indicate what a developed Appalachian economy could do. They do not mirror the misery of a people denied the facilities that are accepted as the standard throughout most of the rest of the Nation. In countless communities of Appalachia, schools, highways, hospitals, and water and sewage systems not only fail to meet the needs of an expanding economy; they do not even meet the elemental needs of the people today.

Attempts at solutions to the problems of Appalachia have been made on four levels: by individuals, by local groups, by communities, and by each of the States. The Federal Government, through its various assistance programs, has also been involved at each level. In each case, it has been demonstrated to this committee that success was limited by the fact that the problems were truly regional in scope, while the solutions were proposed on a piecemeal basis. Therefore, the committee has been most concerned with the response of the



Federal Government to the request for a regional program by the Governors of the 11 States acting in concert.

That response, as embodied in S. 3, contains a program that meets the needs of the people of Appalachia. S. 3, after it has been successfully implemented by the Federal and State agencies involved in the program, will enable the people of the area, through the investments of private industry, to bring about the full-scale development of this region. S. 3 is simply the opening step in a campaign to bring the Appalachian region and the people of Appalachia up to the same economic level as the rest of the citizens of the United States. That program will be carried out within a sound Federal, State, and local partnership, coordinating existing efforts and augmenting these with the special programs set forth in title II, part A, of S. 3.

This committee, therefore, accepts the report of the President's Appalachian Regional Commission and the testimony thereon, acknowledging that it is within the tradition and the prevailing practice of American economic development to provide for the full utilization of the resources of every area of this country. For the well-being of the national economy as a whole is dependent on the continued progress of all segments and sectors of the economy.

Thus, the committee rejects the argument of the opponents of the proposed program that it would give preferential treatment to Appalachia. For this is but one of many instances of regional legislation, for which the scope of direct benefits is limited. The city dweller of the East draws no direct benefit from cotton and wheat and tobacco support programs; peanut research does not directly aid the autoworker of Detroit or the steelworker of Gary; urban renewal and public housing legislation provides no direct benefit to the rancher in Montana; nor do the land reclamation projects of the West benefit the lobsterman in Maine. Yet in each instance, the Congress and the majority of the American people have supported such programs not only for their direct local benefits, but also for their contribution to the well-being of the national economy. Such justifications exist in equal measure for the proposed legislation for the Appalachian region, where the problems are not limited to a single resource or a single community.

The committee would also emphasize the view that the presence of distress in other parts of the country is no reason to deny or delay aid to Appalachia. The committee is aware of conditions of economic stagnation in the Ozark Mountain area, in the Upper Great Lakes region, and in pockets of poverty of varying sizes elsewhere in the United States.

The committee received testimony on the Upper Great Lakes region, and considered amendments to S. 3 that would provide planning funds for other regional commissions and initial development funds for an Upper Great Lakes Authority. During the committee's executive session on the bill, attention was directed to a recent letter from the Bureau of the Budget, indicating that the administration intends at an early date to request congressional action for dealing with regional problems in other areas of the United States. It was decided, therefore, that other regional development programs should not proceed on an ad hoc basis. The committee recognized the needs of other regions which have problems similar to those of Appalachia and expressed the intention to give early consideration to other regional development problems.

Despite the valid claims of other areas of economic lag for early and systematic consideration by the Congress, the committee recognizes the unique character of the Appalachian region. For nowhere else in the United States is the scope and magnitude of economic distress comparable to that of Appalachia. Largely as a result of the conditions to which S. 3 is addressed, 6 of the States included in the region are among the 11 States with the lowest median family income. Attacking the roots of poverty in Appalachia thus means attacking the largest single center of economic depression in the United States. It should be noted also that no other region in the country has proceeded as far with interstate efforts toward regional planning nor initiated them as early.

Assuredly the proposed Appalachian program will not directly benefit those in distress outside the region. But neither are there provisions in this legislation which would preclude assistance to other areas.

This committee has noted that throughout the testimony presented to it with regard to S. 3, and throughout the report of the President's Appalachian Regional Commission, one dominant theme has been that the economic problems of the region are not of recent origin. They stem partially from inherent geographic and topographic conditions which make for difficult access in many parts of the region and a high incidence of floods. They are the product also of longstanding reliance of some areas on a single industry which has suffered from national technological changes outside the region. In other instances, plant obsolescence, foreign competition, and depletion of natural resources are contributing factors. In contrast, some observers contend that very recent improvements in Appalachia and current data regarding the comparative economic position of the region render the proposed legislation unnecessary. This committee disagrees with such a judgment.

The people of Appalachia have made many superlative efforts, individually and through their local and State governments, toward improving the region's conditions. They have continued their efforts to provide education, transportation, and other facilities on which a program of sustained economic improvement can be built. They have continued their efforts to overcome the handicaps arising from past methods of resource exploitation. They have continued to try to attract new industries and encourage existing ones to remain and expand. These efforts by States and localities provide another base upon which the development process can grow. Certainly the people of the region should not be penalized because their efforts have shown some fruits. Rather they should be encouraged to continue their efforts by providing the regional development program which they and their Governors have asked for and promised to support.

The committee believes that the provisions of S. 3 will furnish the type of coordinated and concerted attack on the regional problems besetting Appalachia that can lift the region's economy to a level closer to that of the national economy. We believe that S. 3 will lead to a closing of the gap which now exists between metropolitan Appalachia and metropolitan America, urban Appalachia and urban America, and rural Appalachia and rural America.

We also agree with the regional approach embodied in S. 3 and recommended by the President's Appalachian Commission in the recognition that poverty is no respecter of State lines and deprivation



is no respecter of county lines. The State, Federal, and local approach to solving Appalachia's economic problems is the most feasible and the most workable method of restoring the region through the combined resources of all levels of government.

## THE PRESIDENT'S APPALACHIAN REGIONAL COMMISSION AND THE FEDERAL DEVELOPMENT PLANNING COM- MITTEE FOR APPALACHIA

The Governors of the Appalachian States, aware of the problems outlined above, formed the Conference of Appalachian Governors in 1960. After 3 years of study and deliberation, that conference concluded that active Federal cooperation was essential to the formation of comprehensive solutions to the problems facing the region. They requested President John F. Kennedy to establish a joint Federal-State commission to develop those comprehensive solutions.

On April 9, 1963, President Kennedy responded to the request of the Governors by establishing the President's Appalachian Regional Commission. The Commission was comprised of the representatives of the Appalachian States and representatives of the major Federal agencies concerned with the problems of the region. The Commission conducted a year-long study of the region, including two tours throughout the Appalachian States, during which representatives from all segments of Appalachian economic life were consulted. Numerous meetings were held in the city of Washington between Federal and State representatives on the President's Commission.

Exactly 1 year after the establishment of the Commission by President Kennedy, on April 9, 1964, it submitted its report to President Lyndon B. Johnson. That report contained detailed recommendations on how a coordinated program of Federal, State, and local investment could solve the most urgent problems facing the region. The report was the product of the cooperative efforts of the following States and Federal agencies.

### States:

West Virginia	Kentucky	Tennessee
Alabama	Maryland	Virginia
Georgia	North Carolina	Pennsylvania

### Federal agencies:

- Department of Health, Education, and Welfare.
- Tennessee Valley Authority.
- Atomic Energy Commission.
- Small Business Administration.
- National Aeronautics and Space Administration.
- Area Redevelopment Administration.
- Department of the Treasury.
- Department of Defense.
- Department of the Interior.
- Department of Agriculture.
- Department of Commerce.
- Department of Labor.
- Housing and Home Finance Agency.

President Johnson responded to this report with a message to the Congress on April 29, 1964, in which he submitted his administration's draft of an Appalachian Regional Development Act of 1964,

and declared that the conditions of Appalachia are "a challenge to the ingenuity as well as the compassion of Congress."

Extensive hearings were conducted during the 88th Congress on this program—by the Public Works Committee of the House of Representatives on H.R. 11946, and by this committee on S. 2782.

This committee reported legislation in the 88th Congress to implement the President's Appalachian program, and it was enacted by the Senate on September 25, 1964, by a vote of 45 to 13. Though also reported in the House of Representatives, companion legislation was not brought to a vote in that body during the 88th Congress.

On October 25, 1964, President Johnson, by Executive Order No. 11186, created the Federal Development Planning Committee for Appalachia as successor to the President's Appalachian Regional Commission. This more recently created committee has continued the work of the Commission and has engaged in extensive preplanning work pending enactment of this legislation.

## MAJOR PROVISIONS OF THE BILL AS REPORTED

### THE APPALACHIAN REGIONAL COMMISSION

Title I of the bill would establish an Appalachian Regional Commission to achieve "coordinated action between the States and Federal Government."

The committee believes that future public investment in Appalachia at the Federal, State, or local level will be far more effective if it is coordinated. Appalachia's inadequate tax base has necessarily meant an inadequate State and local investment. The funds that have been expended on development programs and facilities in the region would have achieved better results had they been concentrated in a unified attack on the most severe regional economic problems.

Past attempts to provide a more coordinated pattern of investment have failed due to the absence of a structure for comprehensive planning; the Appalachian Regional Commission will provide such a structure.

The Commission will be a clearinghouse for expert opinion which can be shared throughout the region. It will sponsor research and demonstration projects upon which it will base its recommendation. It will be authorized to recommend revisions of existing laws, at all levels of government, with the objective of expanding the developmental potential within the region.

The Commission will initiate comprehensive plans for regional development and will be the principal policymaking body for such development. However, the committee emphasizes that *the Commission is not intended as, and will not be, an operating agency. It will have no authority over any other agency of Government at any level.*

Section 223 of the bill provides that the Commission will make initial recommendations on each phase of the programs contained in the bill. However, it should be made clear that the final decision on the implementation of the Commission's recommendations will rest with the President and with the States.

The committee would also emphasize the fact that State and local interests are totally protected in this bill. Under the terms of section 222, a State must give its consent before any program is implemented within its boundaries.



The funds requested in section 105(b) for the operation of the Commission, \$2,200,000 for the next 2 fiscal years, demonstrate clearly that the Commission will not be what some have charged, "a federally controlled regional octopus." These funds will enable hiring of a relatively small staff of experts who will undertake planning and coordination responsibilities with which the Commission is charged.

The committee would emphasize the consensus which exists within the States and the Federal Government as to the need for such a focal point for future Appalachian effort. The Governors of the participating States and the heads of major Federal agencies have signed the report of the President's Appalachian Regional Commission which endorses the creation of the Appalachian Regional Commission.

The Governors of the affected States have been the most enthusiastic advocates of the regional approach which the new Commission would represent. They worked together for 3 years to bring about the creation of the President's Appalachian Regional Commission. The report of the Commission clearly indicates that the Governors have merged their own individual State interests within the recommendations of the President's Commission calling for a regionwide effort. This bill will provide the States, for the first time, with a voice in expenditure of Federal funds within the Appalachian portion of their States. Their views will be expressed through a stable institution, the Appalachian Regional Commission, and the committee believes that this procedure will insure a wiser and more effective program of Federal investment as well as State investment in Appalachia.

The structure of the Commission has been designed to provide adequate representation for both the States and the Federal Government. Its membership would be as follows: Representing the States would be the Governor or his designee, or the person specified by State law, of each participating State, and one Federal cochairman who will speak for the Federal Government. Since the bill provides that it will cease to be in effect on and after July 1, 1971, the Federal cochairman could not serve as such beyond that date. The Commission will establish its own procedures, but when such procedures require a vote, the reported bill requires that an affirmative vote be cast by a majority of the State members from the participating States and an affirmative vote of the Federal cochairman.

Some observers have objected to the voting procedures in the bill on the grounds that the requirement of an affirmative vote by the Federal cochairman provides, in effect, that the Federal Government has a veto over State proposals. This is true, but it is equally true that a majority of the States have, in effect, a veto over the proposals of the Federal Government, and that each State has an absolute veto over acceptance of programs within its own boundaries.

In most of the programs that would be established by this bill, the Federal Government will contribute well over one-half of the total funds. The program for the developmental highway system, for example, calls for Federal participation at a level of 70 percent of the total cost. The committee believes, therefore, that it would be fiscally irresponsible on the part of the Federal Government to allow the recommendation of such substantial sums of Federal funds without the approval of the Federal member on the Commission.

In developing the program recommendation which it will make and the priorities it will establish, the Commission is directed to

give consideration to pertinent factors of economic development. These include the precise relationship between the project request and overall regional development. In the development of the region the Commission should give thorough attention to those actions that will promote the most beneficial exploitation of the region's great natural resources, including coal, timber, natural gas, clay, shale, and other minerals. The Commission should weigh the prosperity of the area requesting the grant against the prosperity of areas with competing grant requests. It should give thorough attention to the relative financial resources available to the States or local units which request assistance. Above all, it must insure that the assistance provided will improve on a continuing, rather than temporary basis, the economic potential of the area to be served by the assistance, and that priority consideration be given to investments in those areas with significant potential for economic growth.

The reported bill specifically prohibits any assistance under the bill from being used to relocate plants from one area to another, or to finance the cost of industrial plants, commercial facilities, machinery, or working capital, or to finance the cost of facilities for the generation transmission, or distribution of power or for the production, transmission, or distribution of gas.

#### TRANSPORTATION AND ACCESS

The isolation of Appalachia and the neglect which is the major cause of its economic ills are directly attributable to the lack of adequate access to, from, and within the region. In testimony before this committee, it has been apparent that a comprehensive developmental highway system is the most important aspect of the program for Appalachia.

In the report of the President's Appalachian Regional Commission, the point is made:

The remoteness and isolation of this region lying directly adjacent to the greatest concentrations of people and wealth in the country, is the very basis of the Appalachian lag.

The report of the President's Commission gave the highway problem "a double priority of emphasis," concluding its section on highways with the statement that:

Its [Appalachia] penetration by an adequate transportation network is the first requisite of its full participation in industrial America.

The committee is charged with the primary legislative responsibility in the Senate for highway development in the United States. During the hearing on S. 3, as well as S. 2782, the precedent legislation in the 88th Congress, and in previous hearings on general highway legislation, the committee has received conclusive evidence from many studies which have demonstrated the impact of highways on economic development. For that reason the reported bill authorizes the Appalachian Development Highway System to be built in conjunction with the interstate and primary and secondary systems. The Federal Government would contribute \$840 million from the general fund for the construction of the new development highway system which would be designed to provide access to the presently almost inaccessible sub-



regions of Appalachia. These highways, while they would ease the traffic congestion in some parts of Appalachia, will not be constructed with that particular objective in mind. Rather they will be built as instruments of economic development to generate traffic where none presently exists. They will do so by opening up areas to development which, because of their present remoteness and isolation have not been developed.

Appalachia is a land of promise. Its natural resources foretell both its industrial and recreational future. Until its natural resources can be moved swiftly to their processing sites and then to their markets, they will remain an unrealized potential. Tourism, upon which a substantial part of Appalachia's future prosperity will rest, cannot be exploited until traveltime both into and within the region is improved. The Appalachian development highway system will provide the means to insure that this industrial and recreational potential is realized.

The funds for this program will be provided from the general fund. There will be no reliance upon the highway trust fund and thus no threat is offered to that fund's fiscal integrity.

The States in Appalachia have put a disproportionate amount of their primary aid highway funds into their Appalachian areas. Page 24 of the report of the President's Appalachian Regional Commission documents that point. The participating States will provide \$360 million of their own scarce funds to build the 2,350-mile development system.

There are sites capable of full-scale development in many sections of Appalachia, but because of the ruggedness of the terrain, major highways, such as those contemplated in the development system itself, cannot always be routed through or near these sites. Therefore, a system of short access roads is essential to full economic development of the region. The bill would authorize the construction of not more than 1,000 miles of such short access roads from the major highways to these sites.

This represents an additional 500 miles of local access roads over the amount authorized in the earlier Appalachian measure. The increase is made on the recommendation of the administration, and the committee was assured by administration spokesmen that the added mileage could be constructed within the original and unaltered budget of \$50 million which has been allocated for construction of local access roads. The committee concurs in this judgment, in the light of its knowledge of construction costs for similar type roads on national forests, and considers it a realistic estimate of the costs involved.

These roads may be built to recreational, residential, commercial, industrial, or other similar facilities or they may be used to accelerate or improve a school consolidation program. They can be used to provide access to an industrial park or to a recreation complex or to a new housing development, but there will be no use of these funds for the construction of "private driveways," as some have charged.

Before any State member on the Commission casts his vote on a highway proposal, he must have obtained the recommendations of the State highway department. When the Commission's plan is submitted to the Secretary of Commerce, the Commission's role is fulfilled. The bill specifically states that thereafter the normal

relationships which presently exist between the Secretary of Commerce and the State highway departments, established under title 23, United States Code, will be followed. No State is required to engage in any program under the bill, including the development highway system, until it gives consent.

The committee bill has been criticized on the grounds that it authorizes an additional highway program for the Appalachian region almost as large as the annual program for the construction of Federal-aid primary and secondary highways. This bill authorizes, in effect, a 5-year highway program. It must be completed in accordance with section 405 of the bill which states that this act shall cease to be in effect on July 1, 1970. Excluding the leadtime necessary to initiate the program, the effective length of the program would be about 5 years. Thus, the annual highway authorization contained in this bill amounts to only one-fifth of \$840 million or \$168 million per year. On a 70-30 ratio, this results in a total highway program of \$240 million per year.

The current Federal-aid A-B-C authorization amounts to \$1 billion per year, for a total annual program of slightly less than \$2 billion. The Appalachian program is, therefore, approximately one-eighth the size of the normal Federal-aid A-B-C program.

The highway program outlined in this bill augments rather than competes with the regular Federal-aid highway program. It assists the Appalachian States in opening up traffic corridors that are relatively underdeveloped at the present time and which could not be improved to fully adequate standards throughout their length under the regular Federal-aid highway program within the foreseeable future. It augments the interstate program in that it provides needed connections between that system and the more remote and underdeveloped areas of Appalachia. It augments the regular Federal-aid highway program in that the construction of the recommended development highway system with funds made available under the Appalachian Regional Development Act of 1964 will release regular Federal-aid highway funds for the construction and improvement of other inadequate Appalachian highways not included in the developmental system.

The committee was impressed during the hearings by the cardinal importance attached to the highway program by the Appalachian Governors who testified for their respective States. It was unanimously acknowledged that the road construction program is a primary requisite to the general economic development of the region, and each of the Governors assured the committee that his State is prepared to assume its share of the matching costs.

Though the committee acknowledges that the primary purpose of this bill is resources development and not the creation of immediate employment opportunities, we would urge the Secretary of Commerce, in implementing the highway and other construction programs, to promulgate regulations which will assure the maximum feasible employment of local labor.

#### HEALTH FACILITIES

Hospital and health services available in America have been a major factor in our social and economic progress. The Nation has given substantial public support to these services primarily from the



general conviction that the less fortunate should not be denied these basic facilities. Adequate health services, however, can also play a vital role as instruments of regional economic development.

Without such services, no community or subregion can hope to attract modern industry. The managers of industry are understandably reluctant to ask their employees, no matter what their responsibilities, to locate in a region where their families' health may be jeopardized by inadequate hospital and medical care.

In many sections of Appalachia, this problem is particularly acute. The low income in these sections impairs a reasonable support of private medicine and the tax base necessary for even rudimentary public health facilities is nonexistent. The committee believes that a demonstration program should be established that will provide for multicounty health centers in several of the more isolated and impoverished sections of the region.

The bill provides for grants for the construction, equipment, and operation of multicounty demonstration health facilities, including hospitals, regional health diagnostic and treatment centers, and other facilities necessary for health.

Construction grants may not exceed 80 percent of total costs, including initial equipment. For the first 2 years of operation, grants for operation may total 100 percent. For the next 3 years grants for operating expenses may not exceed 50 percent. The committee notes that health facilities and hospitals constructed under authority of this bill are to be primarily for outpatient use and for provision of diagnostic and treatment services to residents of the area. The committee also understands that under section 202(c), which provides grants for operation of these facilities, the operating cost with respect to hospitals and diagnostic and treatment centers is defined as the cost of operation of such facilities after deduction of any contributions by States or local governments, or by private organizations or individuals. It is the committee's intent that this cost of operation shall also be determined by deducting appropriate charges made for services received by individuals at such facilities, and it is understood that individuals shall be admitted for treatment under regular procedures and that appropriate charges shall be made in such amounts as the individuals are able to pay.

The funds available for operation under section 202(c) shall be available only for those hospitals which are constructed under section 202 (a) and (b). They will not be available to hospitals presently in existence or those that will be constructed under other public or private programs.

In computing operating costs, the Secretary shall take into account all revenues received by hospitals for the purpose of determining the amount of any operating grant under this section.

#### LAND STABILIZATION, CONSERVATION, AND EROSION CONTROL

The committee reports a substitute amendment for section 203, as introduced, which provision retains the 80-20 matching ratio between the Federal Government and the landowner, and raises the cost-sharing limitation from 25 acres to 50 acres.

In the opinion of the committee the substitute amendment, modeled after the Great Plains program which has been successfully operated in the States of Colorado, Kansas, Montana, Nebraska, New Mexico,

North Dakota, Oklahoma, South Dakota, Texas, and Wyoming for 8 years, more specifically addresses the problems of land stabilization and erosion and sediment control, and provides for a more closely coordinated program of related land and watershed development.

The rugged topography of the Appalachian region has long been a deterrent to the successful farming of row crops in significant quantity. The Appalachian terrain has also discouraged mechanization on the farms so essential to profitable agricultural operations today. Thus, over the years, the steeply sloped Appalachian farms have remained relatively unproductive and have undergone severe erosion. The resulting denuded slopes have marred the scenic beauty of the land, contributed to widespread siltation of its streams, and have thus impeded the development of the great potential for recreation and tourism.

Most of the small crop farming now practiced in Appalachia is on a marginal basis and too frequently provides only a bare subsistence living for the small farmer. It is, however, unrealistic to expect every small Appalachian farmer to give up his farm immediately—an act which would largely result in simply transforming rural poverty into urban poverty. Also, many of the small farmers of the region, especially the elderly ones, are deeply rooted in the land and prefer to live out their years on the farm, rather than become public welfare clients in the towns and cities. Thus, a coherent and equitable Appalachian development program must provide for restoration of the land under its present inhabitants and enable them to realize what benefits the land can furnish.

The substitute amendment is predicated on established practices of soil conservation and erosion control and would apply the 10-year contractual plan for cost-sharing developed in the Great Plains program. It offers no special provisions for assisting livestock operations in Appalachia. The committee assumes that after the land is restored and revegetated the operation of free market factors, in conjunction with already established Federal programs, will supply this need. The committee believes that the benefits from soil conservation, water quality control, recreation, and the preservation of open spaces in the region justify and support the implementation of this program.

In the administration of section 203, the committee urges that the Commission and the Department of Agriculture encourage the fullest participation of State extension services and the facilities and personnel of the land-grant colleges and universities of Appalachia.

Under the terms of this bill, \$17 million are authorized to be spent in fiscal years 1965 and 1966.

### TIMBER

Forest products are among the most potentially significant and currently least developed of Appalachia's natural resources. The commercial forest area of the region comprises some 67 million acres, or approximately 60 percent of the total land surface.

At one time Appalachian hardwoods, because of their abundance and quality, constituted the region's most valuable natural resource. Demands for Appalachian timber remained at a high level throughout the 19th century, for use in housing construction, furniture, railroad ties, and mining timbers.



However, the steady flow of Appalachian timber for a century or more left large areas of once forested land either denuded or in brush. Since the turn of the century the demand for Appalachian hardwoods has declined. This has been partly due to the development of new competitive materials, partly to the decline in building new railroads, the development of coal mining technology which has eliminated the need for supporting mine timbers, and to the diminishing supply of high quality hardwoods from the region.

Small woodlot owners, possessing 50 to 100 acres or less, now hold over 70 percent of Appalachia's commercial forest acreage. Good timber management of so many small individual stands is difficult, because few small landowners have the requisite technical knowledge, the equipment, the capital, or the time to increase the productivity of their woodlots through sound and modern management methods. Section 204 is directed specifically toward these deficiencies.

Contrary to a widely held misconception, the inadequate development and utilization of Appalachian hardwoods is not due to a deficiency of supply. The committee was informed that for all Appalachian hardwood species the growing stock is accumulating three times faster than it is being cut, and the ratio for softwoods, though less favorable, is  $1\frac{1}{2}$  to 1. As stated by a leading authority who testified before the committee:

Forest Survey reports \* \* \* for specific areas of Appalachia \* \* \* portray an even more vivid picture of timber accumulation. In West Virginia, the volume in sawtimber-size trees doubled while total growing-stock inventory increased by more than 80 percent between 1949 and 1961—probably a record increase for any U.S. forest area of comparable size. In east Tennessee, total growing-stock volume increased by 28 percent between 1950 and 1961. For all of Eastern United States, the increase for the period 1953–63 was less than 17 percent.

The comparatively retarded condition of the forest industry in Appalachia does not, therefore, result from inadequate supply. It would appear to be the product of several factors:

- (1) The prevailing ownership pattern of small woodlots of 50 to 100 acres or less and the attendant lack of technical knowledge and capital of the small owners.
- (2) Inadequate access to private as well as State and national forest lands.
- (3) Inadequate concentration and marketing facilities.
- (4) Insufficient management capabilities among many small mill operators.
- (5) Insufficient research in wood technology and marketing techniques by private and publicly financed resources.

Though section 204 of the bill does not meet all of these deficiencies, in conjunction with the road program authorized by section 201, and other projected programs, it provides the means for attacking some of the most persistent problems evolving from the small ownership pattern.

Section 204 would authorize the Secretary of Agriculture to provide technical assistance in the organization and operation, under State law, of private nonprofit timber development organizations. These organizations would provide improved timber productivity through

(a) continuity of management, cutting practices, and marketing; (b) administrative, or, where necessary, physical consolidation of small holdings; (c) management of timberlands donated for demonstrations of good forest practices; and (d) establishment through donations of a permanent fund to carry out the educational works of the organization.

Section 204 authorizes \$5 million for fiscal years 1966 and 1967 to carry out the authority in this section, and it is expected that the bulk of the funds will be used for loan purposes. It is emphasized that this is not a grant program, but a loan program, which would require matching funds of approximately \$5 million from private capital, and would return the full appropriated amount to the Treasury at the completion of the loan schedule. The Federal loans will be administered under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961.

The committee believes that specific features of the organization and structure of a TDO cannot be spelled out until a detailed feasibility study has been made of each area in which a TDO is to be located. However, pending such studies, the committee can conceive of a timber development organization patterned after the New England Forestry Foundation—a purely service organization requiring no long-term commitment on the part of the landowner—which has been so successfully operated in the Northeastern United States. Or a TDO might have a corporate structure with long-term commitments from each landowner and receipts from the sale of the timber shared among the landowners pursuant to an agreement.

It is not the objective of this act for a TDO to purchase lands beyond the degree necessary to allow an individual owner of a "key tract," necessarily included within the boundaries of a logical unit, to sell his lands. Where the owner of such a "key tract" does not wish to join the timber development organization, but is willing to sell his lands, the TDO should make every effort to secure an individual buyer for his lands. Thus, the TDO, through loans and other means, should be the catalyst for such land transactions rather than a principal. Only in situations where there are no private individuals willing and able to purchase the lands should the TDO purchase such lands in its own right. The committee further assumes that the TDO would return the lands to private ownership as soon as practical.

None of the funds appropriated pursuant to this authority are to be used to construct or acquire any facilities for manufacturing, processing or marketing forest products. Funds can be used for the construction of facilities necessary for timber growing, such as access roads, boundary markings, and other similar facilities. The timber development organizations are not to be federally directed; their direction and management will come through existing private and State rather than Federal channels.

The committee expects the implementation of the timber development program of this act to be conducted within a climate favorable to the continued growth of the established forest products industry. The committee received testimony during the hearings on the growing capital investment in plant and community facilities by the forest products industry over the past 5 years, investments which have exceeded \$185 million in Appalachia during this period. This is a substantial contribution to the development of regional resources and has contributed significantly to raising the forest products industry annual payroll to its present level of more than \$600 million. It is



the intent of the committee that the total thrust of Federal assistance in this field shall not inhibit, but shall encourage the present trend of growth in the forest products industry.

The committee draws attention to the inadequacy of research in wood technology and urges more vigorous efforts in this field by both private and Government agencies. Specifically, the facilities of the U.S. Forest Products Laboratory at Madison, Wis., might be more fully directed toward solving problems related to Appalachian hardwoods. Also, the Commission, in cooperation with the forest products industry, should explore the possibility of establishing a jointly sponsored grant program for wood technology research in the many excellent private and public research institutions in Appalachia.

Finally, the committee solicits the attention of the Secretary of Agriculture in regard to the suggestion during the hearings on this bill that a larger portion of the funds of the agriculture conservation program (now only 3 percent of the total) be allocated to improvement of forestry practices, especially in Appalachia.

A total of \$5 million is authorized to carry out the technical assistance and capital loan provisions of the timber development program for fiscal years 1966 and 1967.

#### WATER RESOURCES

An abundant annual rainfall in Appalachia gives the region a water resource potential that can be found in few other areas of the country. Unfortunately, this potential has never been fully realized, and all too often, water acts as a curse rather than a blessing in Appalachia.

With proper control and management, Appalachia's water resources can become the region's most precious natural asset, providing almost unlimited opportunities for recreational activities and incentives for industrial development. The comprehensive management of Appalachian water resources can bring an end to the frequent floods which devastate many parts of the region and to the periods of drought which often imperil the health and the economy of its communities. Controlled water will also help alleviate pollution problems affecting Appalachian streams, including the 4,000 miles of the region's waterways now polluted by acid drainage from coal mines.

The fullest possible development of Appalachia's water resources is essential to the economic progress which this bill is intended to stimulate and therefore stands as a key provision of S. 3.

Section 206 authorizes the U.S. Army Corps of Engineers to conduct a thorough survey of Appalachia's water resources, in consultation with the Appalachian Regional Commission and all appropriate Federal and State agencies. This resource survey will be correlated with existing river basin studies, and it is expected that optimum use can be made of the region's water resource potential when the study is completed and the resulting plan is presented to the President and then to the Congress by December 31, 1968. The sum of \$5 million is authorized to carry on this work in fiscal years 1966 and 1967.

The committee wishes to point out with regard to this section of the bill that the provisions contained therein authorize the Army Corps of Engineers to conduct water surveys in Appalachia exactly as it studies other river basins of the United States, including such Appalachian rivers as the Delaware, the upper Ohio, the Potomac, and the Susquehanna.

The committee is assured that the Army Corps of Engineers will seek the cooperation and enlist the full participation of other Federal agencies engaged in water resource development. Furthermore, since the Tennessee Valley Authority has specific statutory authority for the development of water and related land resources in the Tennessee Valley area of Appalachia, the committee assumes that the Army Corps of Engineers will delegate the primary responsibility for the water resources study in that portion of Appalachia to the Tennessee Valley Authority.

The committee also understands from testimony that, in conducting the water resources survey, the Corps of Engineers will not delay authorized study programs or the reporting of existing studies which contain favorable recommendations. Further, the committee understands that this section will enable the Corps of Engineers to review areas where in the past it had not been able to recommend development work under existing criteria, and the committee understands that revised reports will be made on projects which might qualify under criteria developed from this act.

To carry out the purposes of this section \$5 million is authorized for the fiscal years 1966 and 1967.

### COAL

The fundamental problems that have arisen from the mining of coal in Appalachia demand solutions as part of any serious attempt to improve the Appalachian economy.

Despite drastic reductions of employment in the past two decades, the production and transportation of coal still remains as the single largest source of employment in Appalachia. Nevertheless, automation in the mines and shrinking markets have worked together to reduce coal employment by hundreds of thousands of jobs in the past 15 years.

The severely depressed economic conditions that exist in many sections of Appalachia are invariably the direct result of the decline of the coal industry. The mechanization of the industry has brought about a technological revolution in Appalachia, to which the painful period of adjustment has not yet been completed.

But the production of bituminous coal in the region can exert a stabilizing influence on the Appalachian economy. Thus, as part of the economic development plan for Appalachia, the State and Federal Governments should take every measure to encourage the production of bituminous coal.

Much of the Appalachian landscape has been ravaged by the mining of coal. Former practices of both strip mining and deep mining operations have eroded the hillsides, polluted the streams, and endangered the lives of thousands of people. Though present enlightened management practices have made great progress over former years, the abuses of past coal mining practices serve as a major deterrent to industrial and recreational development in Appalachia.

Local and State governments have not had the necessary resources to repair the widespread damages caused by coal mining. Strip mining in the region causes substantial erosion and polluted streams both locally and many miles downstream. Many Appalachian cities and



towns are threatened by subsidence of lands into the coal mines that lie beneath, threats to all who are exposed to them. Unsealed underground mines have leaked enormous quantities of acid into Appalachian streams and rivers, creating serious water pollution problems. The reclamation of lands damaged by past mining operations is crucial to stimulating economic development in Appalachia. This committee therefore endorses the administration's recommendations for a comprehensive program to restore and reclaim the land and water resources of Appalachia which have been damaged by past mining practices.

Section 205 of the bill expands federally authorized programs which now make available limited funds to meet some of these problems.

The Secretary of the Interior is authorized to repair damage caused by mine subsidence throughout Appalachia on a scope greater than that provided under existing legislation.

The existing mine fire control program has had its appropriations limitation increased and the Fish and Wildlife Service has been authorized additional funds to restore areas damaged by mining practices.

The Federal contributions to all programs referred to in section 205(a) are established at not to exceed 75 percent by the bill. Furthermore, these new appropriations will not be counted in any computation of apportionments to the States under the existing national programs. In order to insure that private landowners do not receive a windfall from strip mine reclamation, such projects will be carried out only on those lands to which the public has access or from which a public benefit will result.

The Secretary of the Interior will undertake a strip mine study in full cooperation with appropriate Federal, State, and local departments and agencies and the Commission. The Secretary is to submit to the President, and the President to Congress, by July 1, 1968, detailed recommendations for a long-range comprehensive program for reclamation and rehabilitation of strip- and surface-mined areas in the United States and for the policies under which the program should be conducted. The Secretary is further required to make an interim report to the Commission summarizing his findings with regard to those aspects of strip- and surface-mining operations in the region most urgently requiring attention.

The study will consider the nature and extent of strip mining and its results; the effectiveness of State and local control over strip-mining activity including the enforcement of State legislation; the public interest and public benefits resulting from reclamation activities; the appropriate cost-sharing roles of Federal and State Governments and private interests, and other relevant topics.

The committee would emphasize that private landowners will not be unjustly enriched under the proposed reclamation and rehabilitation program, and that all reclamation and rehabilitation work will proceed under authority of present statutes. Pending submission to the Congress of the results and recommendations of the study authorized in section 205(c), all fish and wildlife restoration of strip-mined areas will be confined to pilot projects which will be part of the study itself.

The committee has given careful deliberation to the above issues, during its prior consideration of S. 2782, and on August 12, 1964, received specific assurance from the Secretary of the Interior regarding

the administration of the proposed reclamation and rehabilitation program. The letter from Secretary Stewart L. Udall follows:

DEPARTMENT OF THE INTERIOR,  
OFFICE OF THE SECRETARY,  
*Washington, D.C., August 11, 1964.*

HON. JENNINGS RANDOLPH,  
*U.S. Senate, Washington, D.C.*

DEAR SENATOR RANDOLPH: In response to your inquiry about the provisions of section 205 of H.R. 11946, the proposed Appalachian Regional Development Act of 1964, which would provide, among other things, programs for mining area restoration, we are happy to give you our understanding with regard to the language of the bill and with regard to the role of this Department in carrying out the proposed programs.

All of the programs provided under section 205, subsections (a) and (b), are either extensions of existing authority now exercised by this Department, or the provision of additional funds to accelerate such departmental activities in the Appalachian region.

Section 205(a)(1) extends the scope of the act of July 15, 1955, regarding the sealing and filling of voids in abandoned coal mines from the anthracite region of Pennsylvania to the entire Appalachian region.

Section 205(a)(2) removes the \$500,000 limit contained in the act of August 31, 1954, on annual expenditures for control of fires, insofar as fires in inactive coal mines in the Appalachian region are concerned.

Section 205(a)(3) permits the allocation of funds for fish and wildlife restoration in the Appalachian region under the provisions of the Federal Aid in Wildlife Restoration Act of 1937 and the Federal Aid in Fish Restoration Act of 1950.

Each of these programs has been in operation for some time, and each has carefully been managed to serve the public interest. No private landowners will be unjustly enriched by the activities proposed.

In the filling and sealing of voids to prevent surface subsidence, the Department always requires that work be done underground only where title to the underground coal has been assigned to a local public body—usually a city or county. No further mining is, therefore, permitted to undo the subsidence control work. Surface land is, of course, benefited by the prevention of cave-ins, but this serves to protect innocent property owners, public and private, rather than to enrich them.

In the controlling of mine fires, only fires in inactive deposits may be controlled under the program. No fire is extinguished until title to the coal measures is obtained by the Government. Ordinarily, title is given to the Government because burning coal seams are of little value to the owners of the mineral rights. Fire control is accomplished by introducing nonflammable materials, primarily sand and gravel, into the voids surrounding the burning coal, thus cutting off the oxygen supply. Such control eliminates the hazards to health and safety created by such fires, but generally renders the coal seam unfit for further mining operations. Surface title to land over a mine fire is not obtained and does not seem necessary to accomplish the public purposes intended. There is no profit to any private landowner from the fire control work. There may, of course, be protection from threatened damage—as in the case of preventing cave-ins.



The fish and wildlife restoration work intended in the first 2 years of the program would be a pilot project in a surface mined area in Appalachia—to be undertaken by the appropriate State conservation agency. The mines involved will have to have been abandoned—with no legal recourse available to oblige the former mine operators to undertake restoration work. Biological, economic, and other data obtained from this experiment will indicate the feasibility of using the grant-in-aid program for fish and wildlife restoration by the States to mitigate the deleterious consequences of surface mining in the Appalachian region. This program has been used successfully to restore surface mined areas in less mountainous areas in Midwestern States. Care will be taken to prevent private enrichment from the program by requiring permanent easements for public fishing and hunting on all property to be rehabilitated and by agreements on the part of property owners to maintain the restored conditions. Although some owners, conceivably, may be able at some future time to realize a higher sale value for their land because of its enhanced beauty, the public right to hunt and fish and the ecological conditions promoting hunting and fishing will be secured. Inasmuch as these constitute a sufficient public benefit to undertake the improvements and since the easements will extend to all future owners of the property, we do not believe the affected property owners will be directly enriched at public expense.

This pilot project will contribute to the overall value of the national study of surface mining which it is proposed that the Department also undertake.

In testifying before the House Committee on Public Works on May 6, 1964, I observed:

“An active program to remove the scars of surface mining is more complex. The largest coal mining States in Appalachia now have laws designed to regulate future surface mining and to induce mine operators to restore the land. We do not propose continuously to sweep up after tomorrow’s surface miners. We believe the States can and will insist that the mine operators do that job themselves.

“The chief problem lies in the surface mines which were abandoned before State statutes were passed. Many of these were occasioned by the emergency of the Second World War, when the urgent need for coal and the shortage of labor led to hasty surface mining without planning to control the consequences. Surely the Nation has an obligation to help heal these sores.

“Such restoration work however, raises thorny policy problems. Much of the ravaged land is privately owned. Ownership often is divided between a surface owner—who usually holds a small acreage—and the owner of mineral rights—usually a large mining company. In its present condition, the land is virtually worthless, although more coal seams lie beneath some of it.

“If land is restored to productive use, who is to benefit from the increased value? Should the surface owner be free to use the land or to sell it at a substantial profit without contributint to the cost of its restoration? We think not. What, then, is the extent of his obligation to support the restoration? Costs of restoration may run from \$50 to \$600 per acre, or even more. In many instances this cost is far above the present value of the land and exceeds the probable value of the land after restoration.

"Yet to leave such sores unrepaired will mean continued destruction of other land, pollution of water supplies for towns and cities downstream, elimination of recreational values for citizens of a wide area, and other evils. We believe, therefore, that a reasonable formula must be devised to determine the fair proportion of restoration costs which the surface owner can afford to pay—either at time of restoration or when such land is sold.

"But what of the owner of the mineral rights? Is he to remain free to return for coal still deeper in the earth? How are we to prevent destruction of the restoration effort by future surface mining in the restored area? Are we to depend upon existing control statutes to protect the public investment? We hope that we can, but a careful determination of that prospect must be made.

"What return should the public expect for its investment in restoration on private land? For example, should public access for fishing and hunting be a condition where land is restored primarily for fish and wildlife benefit?

"These and other similar questions cannot be settled here today. They will require a systematic study of the extent of the surface-mining problem of Appalachia, a careful examination of the policy issues, the proposal of effective techniques for reclamation and of equitable procedures for its accomplishment—thorough discussion of the proposals with the people of the affected States, and then the consistent adherence to agreed upon policies by all participating Federal and State agencies in the execution of the restoration program. For that reason, the bill \* \* \* proposes such a study by the Department of the Interior in full cooperation with other appropriate Federal agencies and the President's Appalachian Regional Commission."

We intend in submitting our report on surface mining in the United States to recommend appropriate concerted action by the Federal Government, the States, local governments, and private parties to meet the surface-mining problem intelligently in the public interest.

We appreciate this opportunity to explain our understanding of section 205 of H.R. 11946. If we can be of further help please let me know.

Sincerely yours,

STEWART L. UDALL,  
*Secretary of the Interior.*

As the Secretary of the Interior, Stewart L. Udall, has testified, and as is acknowledged by all authorities in the field, one of the principal deterrents to the industrial, commercial, and recreational development of many areas of Appalachia is the blight of a land scarred by abandoned strip-mine operations. Accordingly, the committee reports amendments to section 205 authorizing the Secretary of the Interior to make financial contributions to the States for reclamation and rehabilitation of surface and strip-mined areas. Such work will be limited to public lands and private lands from which public benefits will accrue. The bill provides firm safeguards against the reaping of undue financial benefits by private landowners or mine operators.

A total of \$36,500,000 is authorized for the fiscal years 1966 and 1967 to carry out the purposes of this section.



## VOCATIONAL EDUCATION FACILITIES

The technological revolution taking place today in the United States has made its greatest impact in Appalachia. Since the end of World War II, mining, heavy industry, and agriculture have contributed most of the unemployment problems which plague Appalachia today.

Of the several hundred thousand unemployed in Appalachia, most are either unskilled, semiskilled, or possess skills for which there is no longer any demand. Sufficient facilities for vocational training do not exist in the region, which is already hard pressed to finance and maintain an adequate public school system. Clearly, vocational education must be provided on a much larger scale if Appalachia is ever to overcome the debilitating effects of massive unemployment.

Because of the serious shortage of vocational school facilities in the Appalachian region, this bill provides more funds to the Appalachian portions of the 11 affected States under the recently enacted Vocational Education Act of 1963. Section 211 thereby authorizes a Federal supplement to the Vocational Education Act of 1963 of \$16 million for fiscal years 1965 and 1966 for construction of school facilities within the Appalachian region.

## SEWAGE TREATMENT

Inadequate waste treatment through the lack of sewage treatment facilities is a serious Appalachian problem which threatens the health of its people and discourages economic development. Section 212 of the bill therefore provides a total of \$6 million for 1965 and 1966 to be made available to the Secretary of Health, Education, and Welfare for the construction of sewage treatment control facilities, under the terms of the Water Pollution Control Act, which authorizes such construction. These special Appalachian authorizations are not to be affected by the authorization ceilings or allotments among the several States, otherwise provided in that act.

## SUPPLEMENTS TO EXISTING GRANT-IN-AID PROGRAMS

As conclusively demonstrated in the Commission's report, the lagging economy in many sections of Appalachia has resulted in the Federal grant-in-aid programs not being fully utilized by communities most in need of them, simply because they could not produce the matching funds required. Hill-Burton Act hospitals, the Department of Agriculture's small watershed conservation and development programs, the Federal Airport Act's airport development assistance, as examples, are simply not available to many of Appalachia's communities.

Therefore, section 214 of the bill authorizes the provision of a special fund to help Appalachian communities meet part of the local share of existing grant-in-aid programs. Under this authority the Secretary of Commerce, following appropriate consultation with the Appalachian Commission, is empowered to allocate funds to eligible localities "\* \* \* for the sole purpose of increasing the Federal contribution \* \* \* above the fixed maximum portion of the cost \* \* \* authorized by applicable law." Such funds shall not be used to increase the Federal share of any program to more than

80 percent of the cost; they shall be used only for grant programs, not for any loan or other Federal financially assisted program; and only for the construction and equipment of facilities.

Therefore, section 214 authorizes the Federal share of grant-in-aid projects under existing Federal programs to go as high as 80 percent and authorizes \$90 million for these supplemental grants.

Under this authority the Secretary of Commerce, following appropriate consultation with the Appalachian Commission, is empowered to allocate funds to eligible localities “\* \* \* for the sole purpose of increasing the Federal contribution \* \* \* above the fixed maximum portion of the cost \* \* \* authorized by applicable law.”

The committee wishes to make clear that the 80-percent ceiling applies to the total cost of the project. It is not to be applied in addition to the customary Federal share allowed in these existing grant programs. Non-Federal interests should pay at least 20 percent of the total cost.

The supplemental funds shall be used only for grant programs, not for any loan or other Federal financially assisted program, and only for the construction and equipment of facilities.

The committee would make note of the observations of some that the provision for supplementing presently authorized grant-in-aid programs in “back-door reenactment” of the Public Works Acceleration Act. Without accepting the implied strictures against the accelerated public works program, the committee draws attention to the marked differences between that national program and the proposed Appalachian program. With regard to the latter, the projects selected for special financial aid in Appalachia will be those which (1) are part of a comprehensive program for a larger area plan, and (2) not only promise lasting long-term benefits, but are also necessary for the successful realization of a comprehensive plan for a given area, and (3) need not be confined to those areas designated as depressed areas under the criteria of the Area Redevelopment Act.

With respect to the third factor mentioned above, the committee takes note of the argument that the proposed legislation contains no standards for determining the eligibility of *small areas*, and that, in fact, some 67 counties would be eligible for special assistance under the Appalachian program which are not eligible for grants under the Public Works Acceleration Act. The committee acknowledges this fact, but believes that the conclusion drawn therefrom misses the entire point of regional planning.

It was recognized that Appalachia’s unique historical development produced special conditions which demanded not only special programs but a special approach also; that is, combining many of the small areas (or counties) into larger and stronger units, depressed and prosperous areas alike, all working together to achieve the maximum benefit from newly coordinated State and Federal programs.

This is regionalism, whether it be the regionalism of towns and counties banded together or the regionalism of States banded together. In either case—both of which were seen to be necessary if either were to be successful, and both of which are provided for in this act—a fundamental principle must be that, when the smallest units have pooled their resources to *plan* how to overcome economic stagnation, they have the flexibility to decide for themselves where they shall provide the special projects and programs which can do them the most good. (To encourage these combinations the act encourages the



States to create local development districts—not necessarily new combinations or entities—which will be eligible for special aids under the act.) This means that if the people of several depressed counties freely agree that it is to their advantage to have a neighboring prosperous county be the location for a new regional medical center, it can be presumed that this is the most economic and potentially helpful decision for those several counties, and that this decision best assures that the expenditure of public funds will produce the desired result.

Critics of the act have recognized that the highway program cannot be confined only to those counties which are officially designated as depressed under the ARA and the Accelerated Public Works Act. They fail to see the logical extension of this same kind of reasoning to other portions of the act, such as the provisions for controlling water, for cleaning up polluted streams, for reclaiming abandoned mining areas and planning for recreation areas, and so on.

If it is recognized that getting the fullest effectiveness out of a highway requires that certain fundamental technical principles must be adhered to, surely it can be seen that other development projects partake of the same nature and logic. These natural resource and physical development projects, planned to have an economic stimulus over as broad an area as possible, must be located where they can do the most good irrespective of whether or not there also exists at that same spot a pool of unemployed men or a population with low income.

Section 224 does require the Commission to establish standards and criteria for carrying out the provisions of the act. But, instead of confirming the application of the projects and programs into previously (and somewhat rigidly) designated *areas* under previous programs, the proposed act focuses upon program criteria, procedures, and their economic interrelationships, as well as *areas*.

Thus, it is left up to the new Commission—the single Federal representative, the 11 States and the collaborating counties throughout the region—to select for certain projects and programs those areas which promise the most return on the investment over the long term.

In ascertaining the amount of contribution to the local share that the Secretary of Commerce can make available to the relevant Federal agencies through the supplemental fund, he shall consider the total cost of the project. Thus, in determining the cost of a small watershed program to the local community, he shall find the entire cost figure involved and then set a cost and a share for the whole program, including the works of improvement, land-treatment measures, and purchase of right-of-way easements and relocation costs.

The land and water conservation fund has been added to the list of designated programs which may be supplemented. Supplemental grants may be made to meet the cost of land acquisition and improvements to land acquired with funds from that act. These grants may be made despite section 5 (e) and (f) of the Land and Water Conservation Fund Act which would otherwise prohibit the Secretary of the Interior from making grants under the land and water conservation fund for projects which receive Federal funds from other Federal programs. Grants under the Appalachian program to enable the States and local communities to participate effectively in Federal programs, providing assistance in the acquisition of land and the construction and equipment of facilities in the region that will contribute to the growth of the region, do not constitute duplication of Federal con-

tributions which section 5 (e) and (f) of the Land and Water Conservation Fund Act was designed to prevent.

#### PROCEDURES AND CRITERIA FOR PROGRAM APPROVAL

The procedures for approval and implementation of programs and projects are set forth in sections 223 and 303 of the bill. In summary, they provide that an application for assistance under the act may originate from any source in a State's eligible counties, but the application can reach the Commission only through the State representative on the Commission.

This means that neither the Commission nor the Federal Cochairman can dictate to a State what projects it should recommend to the Commission, nor can the Commission bypass the State representative by approving projects and programs submitted to it by a local government. These provisions further assign to the States the primary responsibility for maintaining a close and coherent relationship between individual projects and overall economic development programs for their respective areas of Appalachia. The committee would note that the critical role of the States in the Appalachian development program calls for the appointment of persons of the highest talents and capabilities to staff and implement this program.

Since the primary aim of this act is to stimulate and foster economic growth in the Appalachian region, it is appropriate for the Commission to be guided by the criteria set forth in section 224, which stress the potential for future growth. Here also the Commission will be guided by the assumption that the individual States are best qualified to determine in their respective areas the locations of significant potential for economic growth.

#### RESEARCH AND DEMONSTRATION PROJECTS

The committee shares with the President's Appalachian Regional Commission the awareness that many questions affecting the future of Appalachia remain unanswered. Much remains to be done; a substantial amount of research will be required to determine how to provide more effective development programs for weak and inefficient local units of government; tourism is not yet fully understood as a means of developing the region; and no one is fully aware of the range of potential utilization of Appalachian raw materials.

As earlier noted, however, coal remains the single largest resource of the region, and it is of the utmost importance to the development of the area that there be opened new markets for coal. It is the intent of the committee that the Commission should include within its efforts the study of the development of such new markets.

The committee is also in agreement with the finding of the President's Appalachian Regional Commission which declared in its 1964 report that "Developments in the field of power could have a marked impact upon the future economic situation in the Appalachian region" and stated that study of the potential benefits of using coal and hydro resources for this purpose should be "among the early concerns" of a regional organization. The committee shares the view expressed by the PARC report that:

These studies should be conducted with the assistance and counsel of an advisory committee which includes representa-



tives of private utilities, electric cooperatives, municipal systems, Federal and State agencies, and the public, and should be coordinated with the present Federal Power Commission survey of national power requirements.

It is, therefore, the consensus of the committee that the Regional Commission should initiate early a study of the coal resources of Appalachia, especially in relation to the generation of low-cost electricity for market within the region and in areas of high-cost power outside of Appalachia.

Section 302 authorizes \$5,500,000 for such studies and provides that the Secretary of Commerce may make grants, either directly or through the Commission or other agencies for such research an investigation. The committee emphasizes that funds authorized under this section shall not be used for any construction activity.

The committee also considered a proposed amendment to provide an additional \$2,500,000 for operation of a pilot plant for processing low-grade iron ore of the Appalachian region. The Bureau of the Budget in its report on the proposal noted that operation of such a facility by the Commission would be in conflict with the Commission's role as a planning and coordinating body rather than an action agency. The Bureau of the Budget further noted that the Bureau of Mines in the Department of the Interior is currently conducting a substantial program in ferrous metals beneficiation research, and that further efforts in that area should be undertaken as an integrated part of the Bureau of Mines' program under existing authority upon recommendation of the Appalachian Regional Commission. The committee would draw the attention of the Commission to the potentialities of the Bureau of Mines program in relation to the possible development of low-grade iron ore in Appalachia.

#### TERMINATION

The objective of this bill is to provide a Federal investment program that will assist Appalachia to better participate in the Nation's economic growth. The committee does not intend to create an Appalachian program in perpetuity. It anticipates that the benefits of this program will justify ending the Federal Government's special effort. For that reason, section 405 requires that this bill will not be in effect after June 30, 1971.

The close cooperation that S. 3 will establish between the States need not end at that date. An interstate compact can continue this cooperative State effort and Congress would certainly give thorough attention to legislation establishing such a compact at the appropriate time.

#### HEARINGS

The Committee on Public Works conducted hearings on S. 3 on January 19 and 21, 1965. Since extensive hearings had previously been held in both bodies of the Congress on almost identical legislation during the 88th Congress, the committee decided against mere duplication of the testimony received earlier.

The committee's attention was, therefore, centered on the few changes in the bill and on the preplanning efforts of the Federal Development Planning Committee for Appalachia and the planning work that has been conducted by the States since the prior hearings.

Communications were received from all but one of the participating States, and the Governors of Georgia, Kentucky, North Carolina, Pennsylvania, and West Virginia testified in person. Testimony was also received from several Members of the House of Representatives and the Senate.

Indicative perhaps of the growing consensus and recognition of the need for this program is the fact that no individual testified against it, and the committee received only one statement opposing it from a national organization.

### COMMITTEE RECOMMENDATIONS

The committee recommends enactment of S. 3, as amended. It believes that such legislation is a vital necessity in order to launch a broad-scale attack on the problems of the Appalachian region. Such legislation is long overdue; though it is by no means too late to bring Appalachia into a condition of economic parity with other regions of America. The achievement of such a goal will be to the ultimate enrichment of all America.

The committee believes that the program presented under the reported bill is a sound and well-balanced one, which combines the best features of Federal, State, and local cooperation. It believes also that with this beginning the people of Appalachia and the industries within the area will have the opportunity to develop fully all the resources of the region within the framework of a free and competitive economy.

### COMMITTEE AMENDMENTS

The committee reports two amendments of substance to the introduced, S. 3:

First, section 203, as amended, is largely a substitute for the original section, and provides for a program of soil conservation, stabilization, and erosion and sediment control patterned after that which has been conducted in the Great Plains States for the past 8 years.

The committee amendment retains the 80 percent limitation on the Federal share of the cost-sharing program and raises from 25 to 50 acres the amount on any single farm which will be eligible for grants.

The principal differences between the amendment and the original language of section 203(a) are:

(a) The amendment provides for scheduling annual improvement projects over a 10-year period;

(b) It places a greater emphasis on land stabilization, erosion and sediment control, and reclamation through changes in land use, thus providing closer coordination between land improvement activities and watershed development;

(c) There is neither explicit nor implicit intention in the amendment for Federal assistance in stocking the land.

The same funding provisions prevail in the amendment as in the original and as reported by this committee in S. 2782 in the 88th Congress.

Second, the committee reports amendments to section 205 (a), (b), and (d), which extend the authority of the Secretary of the Interior to make financial contributions to the States to reclaim and rehabili-



tate existing strip and surface mine areas. Section 205(d) is amended to provide an additional \$15 million to implement the provisions of subsections (a) and (b).

All other amendments are of a technical, clarifying, or perfecting nature.

### SECTION-BY-SECTION ANALYSIS OF S. 3

#### APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

This is the section-by-section analysis which in summary fashion describes the Appalachian Regional Development Act of 1965. Please note that this bill does not contain the entire special Appalachian program for fiscal 1966 which was described in the report of the President's Appalachian Regional Commission. The bill only contains provisions covering programs which require new authorizations or modifications to existing authorizations. Funds to carry out the entire program—both these provisions contained in the legislation now before Congress and those programs already authorized which require additional funds for increased activities in the Appalachian region—will be provided for in a special appropriations bill to be presented to Congress once the Appalachian regional development bill is passed.

Some of the additional programs described in the report and not included in the bill, which will be funded through a special Appalachian supplemental appropriations bill, and be begun or supplemented in fiscal 1966, are: An expansion of Corps of Engineers and Soil Conservation Service water control projects; the construction of additional national forest development roads; supplementation of research programs seeking uses for Appalachian hardwoods; acquisition of additional lands in the national forest system; provision of an Appalachian plant materials center; extension of loans to farmers participating in the Appalachian land improvement and erosion control program through the Farmers Home Administration; control of burning coal piles, and studies of acid mine drainage by the Public Health Service; strip mine reclamation projects to be carried out by the Forest Service in national forests, and an expansion of mapping and hydrological studies of the Geological Survey. This is not an inclusive listing of the programs that may be supplemented.

The proposed bill is entitled the "Appalachian Regional Development Act of 1965." Section 2 of the bill sets forth the congressional findings of a lag in the economic growth of the Appalachian region (hereafter called the region) and states that it is the purpose of the act to promote the economic development of the region and to establish a framework for joint Federal and State efforts to attack the region's common problems on a coordinated regional basis.

#### TITLE I—THE APPALACHIAN REGIONAL COMMISSION

*Title I* provides for the creation and operation of a joint Federal-State commission to plan and coordinate the various special activities and undertakings involved in the development and improvement of the region.

##### *Section 101*

This section creates an Appalachian Regional Commission. The Commission shall consist of the Governor (or his designee) from each participating State in the Appalachian region and a Federal cochair-

man appointed by the President with the advice and consent of the Senate. Commission decisions will require the affirmative vote of both a majority of the State members and of the Federal cochairman.

The section also provides for an alternate to each member of the Commission and in the case of the Federal cochairman and his alternate establishes their salaries.

#### *Sections 102 and 103*

The Commission's prime functions, contained in sections 102 and 103, include the continuing preparation of comprehensive plans and programs, and the establishment of priorities thereunder, for the economic development of the region; the conduct and sponsorship of research and studies relevant to regional development, the encouragement of the formation of local development districts; the provision of a focal point and coordinating unit for Appalachian programs and Appalachian interests; and the provision of a forum where the States, the citizens, and the Federal Government can come together to discuss and influence Appalachian policy. The Commission is empowered to make recommendations to the President, State Governors, and appropriate local officials concerning the expenditure of public funds and to suggest legislative and administrative actions which the Commission considers necessary to further the development of the region.

#### *Section 104*

This section requires the President to provide liaison between the United States and the Commission and a coordinated review of Commission plans and recommendations.

#### *Section 105*

For the period ending on June 30 of the second full fiscal year after the date this bill is enacted, the Federal Government shall pay the administrative expenses of the Commission which are estimated at about \$2.2 million for these years; thereafter such expenses shall be shared equally by the Federal Government and the States. The Commission will determine each State's share of the administrative expenses and the Federal representative is excluded from participation in that determination. No assistance is to be provided any State nor can it participate in Commission determinations while it is delinquent in paying its share of these expenses.

#### *Section 106*

This section provides the Commission with the standard powers of administration, including the authorization to (1) establish procedures to conduct its own business; (2) locate a staff; (3) request assistance from Federal agencies; (4) arrange for services from State and local units; (5) make arrangements for appropriate employee benefit programs; (6) accept gifts, donations, etc.; (7) enter into necessary contracts; (8) maintain a temporary office and eventually establish a permanent office and other field offices; and (9) take other necessary actions.

#### *Section 107*

Provides the Commission with the normal powers essential to obtaining information.



*Section 108*

Prohibits any conflict of interest in the conduct of Commission business.

## TITLE II—SPECIAL APPALACHIAN PROGRAMS

*Title II* deals with special Federal programs to assist in the economic development of the region. *Part A* authorizes four entirely new programs. *Part B* modifies, and authorizes supplementation of, certain existing programs so as to increase their impact and effectiveness in the region. *Part C* contains important general provisions.

## PART A—NEW PROGRAMS

*Section 201*

A system of development highways and local access roads (not to exceed a total of 3,350 miles in length of which total no more than 1,000 miles shall be local access roads) shall be built to provide satisfactory transportation to isolated areas in the Appalachian region. Existing roads will be upgraded and new sections constructed which will open up an area or areas with a developmental potential where commerce and communications have been inhibited by lack of adequate access. The Commission is to recommend the location of the highways and roads; before voting on any highway plans, the Commission members shall consult with their State highway commission. The procedures of the Federal-aid primary highway program, as contained in title 23, United States Code, shall be used in constructing the system unless the Secretary affirmatively waives any specific provision as inconsistent with the provisions of this act. Federal assistance to any construction project is not to exceed 70 percent of the project cost. The total authorized to be appropriated by the Federal Government for the program will be \$840 million; the States will contribute \$160 million to the total program.

*Section 202*

To counteract a serious shortage of adequate medical facilities and to demonstrate the value of adequate health facilities to the economic development of the region, the Secretary of HEW may make grants for the construction and operation of multicounty demonstration health facilities including hospitals, and diagnostic and treatment centers. Grants for construction shall not exceed 80 percent of project cost nor total more than \$41 million requested for fiscal 1966 and 1967. Such construction grants shall be made in accordance with both the applicable provisions of the Hill-Burton Act, as amended, and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963. Federal grants for operations may cover up to 100 percent of costs for the first 2 years of operation, and up to 50 percent for the following 3 years of operation. The authorization for operations for fiscal 1966 and 1967 is \$28 million.

*Section 203*

To promote conservation and efficient use of the region's important land and water resources, and to provide a more stable agricultural base for the regional economy, marginal farmland shall be improved or developed and protected from erosion. Grants to any landowner in the region will not exceed 80 percent of the costs of improving and developing not more than 50 acres of land owned by such landowner.

In carrying out this section, the Secretary of Agriculture shall use the services of the Soil Conservation Service and the State and local committees established under Soil Conservation and Domestic Allotment Act. He is also authorized to use the Commodity Credit Corporation in carrying out this section; \$17 million is authorized for cost sharing in fiscal 1966 and 1967.

#### *Section 204*

To enable the Appalachian region to more fully benefit from the timber (80 percent hardwood) which is one of its prime assets, the Secretary of Agriculture is authorized to provide technical assistance in the organization and operation, under State law of private non-profit timber development organizations organized by local interests. These organizations may provide improved timber productivity through (a) continuity of management, cutting practices, and marketing; (b) administrative consolidation of small holdings; (c) management of timberlands donated for demonstrations of good forest management; and (d) establishment through donations of a permanent fund to carry out the educational works of the organization. Up to \$5 million in Federal Government loans, but not to exceed 50 percent of their initial capital requirements, is authorized for these organizations in fiscal 1966 and 1967 to be used only for better management, cutting, and marketing of timber. At least another \$5 million will be provided by the local operators. The Federal loans will be administered under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961.

#### *Section 205*

In this section the Secretary of the Interior is given broadened authority to (a) seal and fill in voids in abandoned coal mines, (b) reclaim and rehabilitate existing strip and surface mine areas, (c) execute projects for extinguishing underground and outcrop mine fires in the region, and (d) expand and accelerate the restoration of fish and wildlife habitat destroyed by strip mines and stream pollution from mine drainage. The section authorizes the Secretary of the Interior, in cooperation with the Commission, to carry out a comprehensive strip mine study by July 1, 1967. The Federal share of mining area restoration projects is increased for this program to cover up to 75 percent of the total project costs; \$21.5 million in Federal outlay in fiscal 1966 and 1967 is authorized for this part of the program.

#### *Section 206*

The Secretary of the Army is authorized to prepare a program for the development of the water resources of the region. This program is to be prepared in cooperation with the appropriate Federal agencies and the Commission.

The resource survey will be correlated with existing river basin studies and it is hoped that optimum use can be made of the region's water resource potential when the study is completed. The sum of \$5 million is authorized to carry on this work in fiscal years 1966 and 1967.

### SUPPLEMENTATIONS AND MODIFICATIONS OF EXISTING PROGRAMS

#### *Section 211*

A Federal supplement of \$16 million for fiscal years 1966 and 1967 is authorized in addition to the construction funds provided by the



recently enacted Vocational Education Act because of the great shortage of vocational school facilities in the Appalachian region. Funds will be made available under the same terms contained in that act.

#### *Section 212*

One of the major problems of Appalachia is inadequate sewage treatment which is a deterrent to both sound health and economic development. In addition to the appropriations made in the Federal Water Pollution Control Act, \$6 million in Federal funds is authorized by this section for fiscal years 1966 and 1967. These funds will be made available through the Secretary of Health, Education, and Welfare under the terms contained in that act.

#### *Section 213*

This section amends section 701 of the Housing Act of 1954 so as to make the Appalachian Regional Commission an eligible agency to receive comprehensive planning grants under that act. This is done to allow the Housing and Home Finance Agency to take advantage of the research capabilities of the Commission. Contracts will be made with the Commission on the same terms as the law now authorizes. All funds for this section will come from HHFA's budget.

#### *Section 214*

In order to allow Appalachian communities to take maximum advantage of Federal grant-in-aid programs for which they are eligible but for which they cannot supply the matching funds, a special fund of \$90 million for fiscal years 1966 and 1967 is authorized by this section. The Secretary of Commerce, acting on the recommendations of the Commission, shall use this fund to increase the Federal contribution to grant-in-aid programs above the fixed maximum portion authorized by the applicable law, in order to decrease the local share.

The Federal portion may not be increased above 80 percent of the cost. The programs referred to include those authorized by this act and other existing grant-in-aid programs which assist in the acquisition of land and the construction and equipment of public facilities. The Secretary may not supplement grant-in-aid programs providing funds for operations, but only land acquisition, construction, and equipment programs.

### PART C—GENERAL PROVISIONS

#### *Section 221*

No State or political subdivision thereof may receive benefits under this bill if the total expenditures of State funds, exclusive of local expenditures, for the portion of the State located in the Appalachian region falls below the average level of such expenditures for the last 2 full fiscal years preceding the date of enactment of this act. A State's expenditures for the Interstate System shall not be included. Further, if there is a substantial population decrease in the region which does not justify a continued expenditure or if the expenditure is now disproportionate to needs of the region, a lesser requirement may be imposed by the President.

#### *Section 222*

This section insures that no State will be required to engage in or accept any program without its consent. The consent of a State to a program for which assistance is provided under this act will be given

by that State in the same manner in which the State consents to receive assistance under the basic statute authorizing that assistance.

#### *Section 223*

To more clearly delineate the role of the Commission in the program planning process this section provides that no programs authorized by this act shall be implemented until the Commission has submitted program plans to the President or such officer or officers as he may designate, and they have either approved or modified the plans. The Commission must have consulted with appropriate State officials concerned with the programs involved and obtained their recommendations.

#### *Section 224*

In order to clearly establish the intent of the Congress, specific criteria are set forth in this section which the Commission is to consider in making program and project recommendations. These criteria include: the relationship of the project to overall economic development, including its location in an area determined by the State to have the greatest potential for growth; the population and area that the project or class of project serves, including the unemployment rate and per capita income of the people of the area; the financial resources available to the State and political subdivision thereof which are undertaking the project; the importance of the project in relation to other projects seeking aid; the prospects that the project will make a long-range contribution to the economic growth of the region. There is also a specific requirement that the funds not be used to finance the cost of commercial facilities, industrial facilities, machinery, or working capital, or the generation, production, transmission, or distribution of gas or electricity.

### TITLE III—ADMINISTRATION

#### *Section 301*

This section sets forth a definition of those local units to which the Commission will extend assistance through the appropriate State governments. The State government will certify local development districts. Such local development districts shall be nonprofit organizations certified by their States as units having the responsibility for the economic development of counties, parts of counties, or other political subdivisions within the region.

#### *Section 302*

The Secretary of Commerce is authorized to make grants either directly or through appropriate public or private organizations (including the Commission) to provide funds for investigation, research, studies, and demonstration projects to further the purposes of this act. No funds can be provided for construction purposes under this section. The Secretary is also authorized to either directly or through arrangements with the Commission make grants for the administrative expenses of local development districts of up to 75 percent of their expenses. Such grants shall not be made to any one district for a period in excess of 3 years. Local shares may be paid in cash or in kind; \$5.5 million is provided to carry out this section in fiscal 1966 and 1967.



*Section 303*

The procedures and responsibilities for processing and evaluating applications for program and project grants are defined in this section. Such applications must be made through the State member of the Commission, who shall evaluate such application. Only those applications for programs and projects which are approved by a State member as meeting the requirements of the act shall receive Commission approval.

*Section 304*

The Commission is herein directed to prepare an annual report on its activities within 6 months of the close of the Federal fiscal year for presentation to the Governor of each State in the region and to the President for transmittal to the Congress.

**TITLE IV—APPROPRIATIONS AND MISCELLANEOUS PROVISIONS***Section 401*

This section provides an authorization of \$252,400,000 in addition to the funds authorized in section 201 for the Appalachian development highway system, to be appropriated for the 2 fiscal years, ending on June 30, 1967.

*Section 402*

This section provides that the construction projects assisted by this act will be covered by standard Davis-Bacon (local prevailing wage) provisions.

*Section 403*

This section designates those counties and the independent political subdivision contained within those counties in the Appalachian region which are eligible for assistance under this act.

*Section 404*

This is the usual clause used to protect other sections of a bill in case one section is held to be invalid.

*Section 405*

This provides that the act will cease to be in effect on and after July 1, 1971.

## INDIVIDUAL VIEWS OF SENATOR J. CALEB BOGGS

My comments on S. 3, which I oppose, are made without passing on the merits or demerits of the situation in Appalachia or the situation in any other regions of the United States which may be interested in additional and special Federal economic aid.

At the same time I would like to express a deep sympathy for the problems of all underdeveloped areas. I would also like to emphasize that I am not opposed to the regional concept in helping Appalachia or any other area of the country. In fact, I have supported the regional concept for many years. The Delaware River Basin compact is an example of a group of States banding together to meet a common problem in conjunction with the Federal Government.

But I believe that this Appalachia bill is setting a far-reaching and dangerous precedent which will open the floodgates for countless segments of the United States to come and ask the Federal Government for equal consideration and aid. This is evidenced by the fact that nearly all the members of the committee have set forth problems in their own areas, problems which the Federal Government apparently will be called upon to solve on a regional basis.

Further evidence of this avalanche of regional programs to come are the bills and amendments already offered or contemplated for regional Federal development programs similar to Appalachia. Overall, this would involve a gigantic Federal undertaking, and one which might well do violence to our time-tested Federal-State relationships in our Federal system. At the same time, it would be bound to create the biggest logrolling opportunity ever conceived. Easy Federal money would be within reach of region after region.

Regional development programs require a needs test, in my opinion, and this could best be accomplished by States with common problems formally organizing as members of a compact. As a legal regional entity these States could pool and develop their resources for mutual assistance. The regions themselves would determine their needs.

After this all-important first step, if the resources of the region still fell short of what was needed to develop the region economically, then that would be the time for the region to come to the Federal Government for supplementary assistance. If this procedure, or something similar to it, is not followed, there will be a gushing of Federal funds with only minimal restraints.

It comes down to this: Do the Governors and legislatures of the States concerned need assistance acutely enough to organize into compacts and thus show the Federal Government that help is being asked only after the region's resources have been utilized to the fullest extent possible in meeting the region's needs? If the regions do not want to exert themselves to this extent to pool their own resources, it would seem that they do not have reasonable grounds for asking the Federal Government for additional and special aid.









S. 3

[Report No. 13]

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IN THE SENATE OF THE UNITED STATES

JANUARY 6, 1965

Mr. RANDOLPH (for himself, Mr. COOPER, Mr. ANDERSON, Mr. BARTLETT, Mr. BASS, Mr. BAYH, Mr. BREWSTER, Mr. BURDICK, Mr. BYRD of West Virginia, Mr. CLARK, Mr. DODD, Mr. DOUGLAS, Mr. GORE, Mr. GRUENING, Mr. HART, Mr. HARTKE, Mr. INOUE, Mr. JOHNSTON, Mr. KENNEDY of Massachusetts, Mr. MAGNUSON, Mr. MCCARTHY, Mr. MCGOVERN, Mr. MCNAMARA, Mr. METCALF, Mr. MONDALE, Mr. MORSE, Mr. MORTON, Mr. MOSS, Mr. NELSON, Mrs. NEUBERGER, Mr. PELL, Mr. RIBICOFF, Mr. SCOTT, Mr. TYDINGS, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, and Mr. YOUNG of Ohio) introduced the following bill; which was read twice and referred to the Committee on Public Works

JANUARY 27, 1965

Reported by Mr. RANDOLPH, with amendments

[Omit the part struck through and insert the part printed in italic]

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**A BILL**

To provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Appalachian Regional  
4       Development Act of 1965".

5               FINDINGS AND STATEMENT OF PURPOSE

6       SEC. 2. The Congress hereby finds and declares that the

1 Appalachian region of the United States, while abundant in  
2 natural resources and rich in potential, lags behind the rest  
3 of the Nation in its economic growth and that its people  
4 have not shared properly in the Nation's prosperity. The  
5 region's uneven past development, with its historical reliance  
6 on a few basic industries and a marginal agriculture, has  
7 failed to provide the economic base that is a vital prerequi-  
8 site for vigorous, self-sustaining growth. The State and  
9 local governments and the people of the region understand  
10 their problems and have been working and will continue to  
11 work purposefully toward their solution. The Congress  
12 recognizes the comprehensive report of the President's Appa-  
13 lachian Regional Commission documenting these findings and  
14 concludes that regionwide development is feasible, desirable,  
15 and urgently needed. It is, therefore, the purpose of this  
16 Act to assist the region in meeting its special problems, to  
17 promote its economic development, and to establish a frame-  
18 work for joint Federal and State efforts toward providing the  
19 basic facilities essential to its growth and attacking its com-  
20 mon problems and meeting its common needs on a coordi-  
21 nated and concerted regional basis. The public investments  
22 made in the region under this Act shall be concentrated in  
23 areas where there is ~~the greatest~~ *a significant* potential for fu-  
24 ture growth, and where the expected return on public dollars  
25 invested will be the greatest. The States will be responsible



1 for recommending local and State projects, within their bor-  
2 ders, which will receive assistance under this Act. As the re-  
3 gion obtains the needed physical and transportation facilities  
4 and develops its human resources, the Congress expects that  
5 the region will generate a diversified industry, and that the  
6 region will then be able to support itself, through the work-  
7 ings of a strengthened free enterprise economy.

## 8 TITLE I—THE APPALACHIAN REGIONAL

### 9 COMMISSION

#### 10 MEMBERSHIP AND VOTING

11 SEC. 101. (a) There is hereby established an Appa-  
12 lachian Regional Commission (hereinafter referred to as  
13 the “Commission”) which shall be composed of one Fed-  
14 eral member, hereinafter referred to as the “Federal Co-  
15 chairman”, appointed by the President by and with the  
16 advice and consent of the Senate, and one member from each  
17 participating State in the Appalachian region. The Federal  
18 Cochairman shall be one of the two Cochairmen of the Com-  
19 mission. Each State member may be the Governor, or his  
20 designee, or such other person as may be provided by the  
21 law of the State which he represents. The State members of  
22 the Commission shall elect a Cochairman of the Commission  
23 from among their number.

24 (b) Except as provided in section 105, decisions by the  
25 Commission shall require the affirmative vote of the Federal

1   Cochairman and of a majority of the State members (exclu-  
2   sive of members representing States delinquent under sec-  
3   tion 105). In matters coming before the Commission, the  
4   Federal Cochairman shall, to the extent practicable, con-  
5   sult with the Federal departments and agencies having an  
6   interest in the subject matter.

7       (c) Each State member shall have an alternate, ap-  
8   pointed by the Governor or as otherwise may be provided  
9   by the law of the State which he represents. The President,  
10  by and with the advice and consent of the Senate, shall ap-  
11  point an alternate for the Federal Cochairman. An alter-  
12  nate shall vote in the event of the absence, death, disability,  
13  removal, or resignation of the State or Federal representa-  
14  tive for which he is an alternate.

15       (d) The Federal Cochairman shall be compensated by  
16  the Federal Government at level IV of the Federal Execu-  
17  tive Salary Schedule of the Federal Executive Salary Act  
18  of 1964. His alternate shall be compensated by the Federal  
19  Government at not to exceed the maximum scheduled rate for  
20  grade GS-18 of the Classification Act of 1949, as amended,  
21  and when not actively serving as an alternate for the Federal  
22  Cochairman shall perform such functions and duties as are  
23  delegated to him by the Federal Cochairman. Each State  
24  member and his alternate shall be compensated by the State



1 which they represent at the rate established by the law of  
2 such State.

3                   FUNCTIONS OF THE COMMISSION

4       SEC. 102. In carrying out the purposes of this Act,  
5 the Commission shall—

6           (1) develop, on a continuing basis, comprehensive  
7 and coordinated plans and programs and establish pri-  
8 orities thereunder, giving due consideration to other  
9 Federal, State, and local planning in the region;

10          (2) conduct and sponsor investigations, research,  
11 and studies, including an inventory and analysis of the  
12 resources of the region, and, in cooperation with Federal,  
13 State, and local agencies, sponsor demonstration projects  
14 designed to foster regional productivity and growth;

15          (3) review and study, in cooperation with the  
16 agency involved, Federal, State, and local public and  
17 private programs and, where appropriate, recommend  
18 modifications or additions which will increase their effec-  
19 tiveness in the region;

20          (4) formulate and recommend, where appropriate,  
21 interstate compacts and other forms of interstate coop-  
22 eration, and work with State and local agencies in de-  
23 veloping appropriate model legislation;

1           (5) encourage the formation of local development  
2 districts;

3           (6) encourage private investment in industrial,  
4 commercial, and recreational projects;

5           (7) serve as a focal point and coordinating unit for  
6 Appalachian programs;

7           (8) provide a forum for consideration of problems  
8 of the region and proposed solutions and establish and  
9 utilize, as appropriate, citizens and special advisory  
10 councils and public conferences; and

11           (9) advise the Secretary of Commerce on appli-  
12 cations for grants for administrative expenses to local  
13 development districts.

14                               RECOMMENDATIONS

15       SEC. 103. The Commission may, from time to time,  
16 make recommendations to the President and to the State  
17 Governors and appropriate local officials with respect to—

18           (1) the expenditure of funds by Federal, State,  
19 and local departments and agencies in the region in  
20 the fields of natural resources, agriculture, education,  
21 training, health and welfare, and other fields related  
22 to the purposes of this Act; and

23           (2) such additional Federal, State, and local legis-  
24 lation or administrative actions as the Commission  
25 deems necessary to further the purposes of this Act.



LIAISON BETWEEN FEDERAL GOVERNMENT AND THE  
COMMISSION

SEC. 104. The President shall provide effective and continuing liaison between the Federal Government and the Commission and a coordinated review within the Federal Government of the plans and recommendations submitted by the Commission pursuant to sections 102 and 103.

ADMINISTRATIVE EXPENSES OF THE COMMISSION

SEC. 105. (a) For the period ending on June 30 of the second full Federal fiscal year following the date of enactment of this Act, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid equally by the Federal Government and the States in the region. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

(b) Not to exceed \$2,200,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

## 1 ADMINISTRATIVE POWERS OF COMMISSION

2 SEC. 106. To carry out its duties under this Act, the  
3 Commission is authorized to—

4 (1) adopt, amend, and repeal bylaws, rules, and  
5 regulations governing the conduct of its business and  
6 the performance of its functions.

7 (2) appoint and fix the compensation of an execu-  
8 tive director and such other personnel as may be neces-  
9 sary to enable the Commission to carry out its func-  
10 tions, except that such compensation shall not exceed  
11 the salary of the alternate to the Federal Cochair-  
12 man on the Commission as provided in section 101.  
13 No member, alternate, officer, or employee of the Com-  
14 mission, other than the Federal Cochairman on the  
15 ~~Commission~~ *Commission*, *his staff*, and his alternate and  
16 Federal employees detailed to the Commission under  
17 paragraph (3) shall be deemed a Federal employee for  
18 any purpose.

19 (3) request the head of any Federal department or  
20 agency (who is hereby so authorized) to detail to  
21 temporary duty with the Commission such personnel  
22 within his administrative jurisdiction as the Commission  
23 may need for carrying out its functions, each such detail  
24 to be without loss of seniority, pay, or other employee  
25 status.



(4) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency.

(5) make arrangements, including contracts, with any participating State government for inclusion in a suitable retirement and employee benefit system of such of its personnel as may not be eligible for, or continue in, another governmental retirement or employee benefit system, or otherwise provide for such coverage of its personnel. The Civil Service Commission of the United States is authorized to contract with the Commission for continued coverage of Commission employees, who at date of Commission employment are Federal employees, in the retirement program and other employee benefit programs of the Federal Government.

(6) accept, use, and dispose of gifts or donations of services or property, real, personal, or mixed, tangible or intangible.

(7) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or in-

1        strumentality thereof, or with any person, firm, asso-  
2        ciation, or corporation.

3 (8) maintain a temporary office in the District of  
4 Columbia and establish a permanent office at such a  
5 *central and appropriate* location as it may select and  
6 field offices at such other places as it may deem appro-  
7 priate.

8           (9) take such other actions and incur such other  
9       expenses as may be necessary or appropriate.

## 10 INFORMATION

11 SEC. 107. In order to obtain information needed to  
12 carry out its duties, the Commission shall—

(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable, a Cochairman of the Commission, or any member of the Commission designated by the Commission for the purpose, being hereby authorized to administer oaths when it is determined by the Commission that testimony shall be taken or evidence received under oath;

(2) arrange for the head of any Federal, State, or local department or agency (who is hereby so authorized to the extent not otherwise prohibited by law) to furnish



to the Commission such information as may be available to or procurable by such department or agency; and

(3) keep accurate and complete records of its doings and transactions which shall be made available for public ~~inspection~~ *inspection, and for the purpose of audit and examination by the Comptroller General or his duly authorized representatives.*

#### PERSONAL FINANCIAL INTERESTS

SEC. 108. (a) Except as permitted by subsection (b) hereof, no State member or alternate and no officer or employee of the Commission shall participate personally and substantially as member, alternate, officer, or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization (other than a State or political subdivision thereof) in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Any person who shall violate the provisions of this subsection shall be fined not

1 more than \$10,000, or imprisoned not more than two years,  
2 or both.

3 (b) Subsection (a) hereof shall not apply if the State  
4 member, alternate, officer, or employee first advises the  
5 Commission of the nature and circumstances of the proceed-  
6 ing, application, request for a ruling or other determination,  
7 contract, claim, controversy, or other particular matter and  
8 makes full disclosure of the financial interest and receives  
9 in advance a written determination made by the Commis-  
10 sion that the interest is not so substantial as to be deemed  
11 likely to affect the integrity of the services which the Com-  
12 mission may expect from such State member, alternate,  
13 officer, or employee.

14 (c) No State member or alternate shall receive any  
15 salary, or any contribution to or supplementation of salary  
16 for his services on the Commission from any source other  
17 than his State. No person detailed to serve the Commission  
18 under authority of paragraph (4) of section 106 shall  
19 receive any salary or any contribution to or supplementation  
20 of salary for his services on the Commission from any source  
21 other than the State, local, or intergovernmental department  
22 or agency from which he was detailed or from the Commis-  
23 sion. Any person who shall violate the provisions of this  
24 subsection shall be fined not more than \$5,000, or impris-  
25 oned not more than one year, or both.



(d) Notwithstanding any other subsection of this section, the Federal Cochairman and his alternate on the Commission and any Federal officers or employees detailed to duty with it pursuant to paragraph (3) of section 106 shall not be subject to any such subsection but shall remain subject to sections 202 through 209 of title 18, United States Code.

(e) The Commission may, in its discretion, declare void and rescind any contract, loan, or grant of or by the Commission in relation to which it finds that there has been a violation of subsection (a) or (c) of this section, or any of the provisions of sections 202 through 209, title 18, United States Code.

## TITLE II—SPECIAL APPALACHIAN PROGRAMS

### PART A—NEW PROGRAMS

#### APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

SEC. 201. (a) The Secretary of Commerce (hereafter in this section referred to as the "Secretary") is authorized to assist in the construction of an Appalachian development highway system serving the Appalachian region ~~(not to exceed a total of three thousand three hundred and fifty miles in length of which total not to exceed one thousand miles shall be local access roads that will serve specific recreational, residential, commercial, industrial, or other like facilities or will facilitate a school consolidation program) (the length~~

1 of which shall not exceed two thousand three hundred and  
2 fifty miles. In addition thereto, there are authorized to be  
3 constructed not in excess of one thousand miles of local access  
4 roads, that will serve specific recreational, residential, com-  
5 mercial, industrial, or other like facilities or will facilitate a  
6 school consolidation program). The system, in conjunc-  
7 tion with the Interstate System and other Federal-aid  
8 highways in the region will provide a highway system  
9 which will open up an area or areas with a developmental  
10 potential where commerce and communication have been  
11 inhibited by lack of adequate access. The provisions of title  
12 23, United States Code, that are applicable to Federal-aid  
13 primary highways, and which the Secretary determines are  
14 not inconsistent with this Act, shall apply to the Appalachian  
15 development highway ~~system~~ system, and the local access  
16 roads.

17 (b) As soon as feasible, the Commission shall submit  
18 to the Secretary its recommendations with respect to (1) the  
19 general corridor location and termini of the development  
20 highways, (2) the designation of local access roads to be con-  
21 structed, (3) priorities for construction of the local access  
22 roads and of the major segments of the development high-  
23 ways, and (4) other criteria for the program authorized by  
24 this section. Before any State member participates in or  
25 votes on such recommendations, he shall have obtained the



1 recommendations of the State highway department of the  
2 State which he represents.

3 (c) The Secretary shall have authority to approve in  
4 whole or in part such recommendations or to require modifi-  
5 cations or revisions thereof. In no event shall the Secre-  
6 tary approve any recommendations for any construction  
7 which would require for its completion the expenditure of  
8 Federal funds (other than funds available under title 23,  
9 United States Code) in excess of the appropriation authori-  
10 zations in subsection (g). On its completion each develop-  
11 ment highway not already on the Federal-aid primary sys-  
12 tem shall be added to such system and shall be required to  
13 be maintained by the State.

14 (d) In the construction of highways and roads author-  
15 ized under this section, the States may give special prefer-  
16 ence to the use of mineral resource materials indigenous to  
17 the Appalachian region.

18 (e) For the purposes of research and development in  
19 the use of coal and coal products in highway construction  
20 and maintenance, the Secretary is authorized to require each  
21 participating State, to the maximum extent possible, to use  
22 coal derivatives in the construction of not to exceed 10 per  
23 centum of the roads authorized under this Act.

24 (f) Federal assistance to any construction project under  
25 this section shall not exceed 50 per centum of the costs of

1 such project, unless the Secretary determines, pursuant to  
2 the recommendation of the Commission, that assistance in  
3 excess of such percentage is required in furtherance of the  
4 purposes of this Act, but in no event shall such Federal  
5 assistance exceed 70 per centum of such costs.

6 (g) To carry out this section, there is hereby authorized  
7 to be appropriated \$840,000,000.

8 DEMONSTRATION HEALTH FACILITIES

9 SEC. 202. (a) In order to demonstrate the value of  
10 adequate health and medical facilities to the economic devel-  
11 opment of the region, the Secretary of Health, Education,  
12 and Welfare is authorized to make grants for the construc-  
13 tion, equipment, and operation of multicounty demonstration  
14 health facilities, including hospitals, regional health diagnos-  
15 tic and treatment centers, and other facilities necessary to  
16 health. Grants for such construction (including initial  
17 equipment) shall be made in accordance with the applicable  
18 provisions of title VI of the Public Health Service Act (42  
19 U.S.C. 291-291z) and the Mental Retardation Facilities  
20 and Community Mental Health Centers Construction Act of  
21 1963 (77 Stat. 282), without regard to any provisions there-  
22 in relating to appropriation authorization ceiling or to allot-  
23 ments among the States. Grants under this section shall  
24 be made solely out of funds specifically appropriated for  
25 the purpose of carrying out this Act and shall not be taken



1 into account in the computation of the allotments among  
2 the States made pursuant to any other provision of law.

3 (b) No grant under this section for construction (in-  
4 cluding initial equipment) shall exceed 80 per centum of  
5 the cost of the project. Not to exceed \$41,000,000 of the  
6 funds authorized in section 401 shall be available for con-  
7 struction grants under this section.

8 (c) Grants under this section for operation (including  
9 equipment other than initial equipment) of a project may  
10 be made up to 100 per centum of the costs thereof for the  
11 two-year period beginning on the first day such project is  
12 in operation as a health facility. For the next three years  
13 of operations such grants shall not exceed 50 per centum  
14 of such costs. No grants for operation of a project shall be  
15 made after five years following the commencement of such  
16 operations. Not to exceed \$28,000,000 of the funds author-  
17 ized in section 401 of this Act shall be available for operating  
18 grants under this section.

19 LAND IMPROVEMENT AND EROSION CONTROL

20 ~~SEC. 203. (a)~~ In order to promote the conservation  
21 and fuller utilization of the region's important land and water  
22 resources, the Secretary of Agriculture is authorized to make  
23 grants to landowners to assist in the improvement and de-  
24 velopment of land for pasture and erosion control in the

1 region. Grants to any landowner under this section shall not  
 2 exceed 80 per centum of the cost of improving and develop-  
 3 ing twenty-five acres of land owned by such landowner.  
 4 Such improvement and development of land shall be carried  
 5 out under the provisions of an agreement to be entered  
 6 into by the landowner and the Secretary of Agriculture, for  
 7 such period not to exceed ten years as the Secretary may  
 8 determine, which shall include such terms and conditions  
 9 as the Secretary may deem necessary to effectuate the pur-  
 10 poses of this section and to assure that such improvement  
 11 and development of land will be properly established, and  
 12 adequately maintained during the period of agreement, in  
 13 accordance with technically sound standards and procedures.

14 *LAND STABILIZATION, CONSERVATION, AND EROSION*

15 *CONTROL*

16 *SEC. 203. (a) In order to provide for the control and*  
 17 *prevention of erosion and sediment damages in the Appa-*  
 18 *lachian region and to promote the conservation and develop-*  
 19 *ment of the soil and water resources of the region, the Secre-*  
 20 *tary of Agriculture is authorized to enter into agreements of*  
 21 *not more than ten years with landowners, operators, and*  
 22 *occupiers, individually or collectively, in the Appalachian*  
 23 *region determined by him to have control for the period of the*  
 24 *agreement of the lands described therein, providing for land*  
 25 *stabilization, erosion and sediment control, and reclamation*



1 through changes in land use, and conservation treatment in-  
2 cluding the establishment of practices and measures for the  
3 conservation and development of soil, water, woodland, wild-  
4 life, and recreation resources.

5 (b) The landowner, operator, or occupier shall furnish  
6 to the Secretary of Agriculture a conservation and develop-  
7 ment plan setting forth the appropriate and safe land uses  
8 and conservation treatment mutually agreed by the Secretary  
9 and the landowner operator, or occupier to be needed on the  
10 lands for which the plan was prepared.

11 (c) Such plan shall be incorporated in an agreement  
12 under which the landowner, operator, or occupier shall agree  
13 with the Secretary of Agriculture to carry out the land uses  
14 and conservation treatment provided for in such plan on the  
15 lands described in the agreement in accordance with the terms  
16 and conditions thereof.

17 (d) In return for such agreement by the landowner,  
18 operator, or occupier the Secretary of Agriculture shall be  
19 authorized to furnish financial and other assistance to such  
20 landowner, operator, or occupier in such amounts and subject  
21 to such conditions as the Secretary determines are appropri-  
22 ate and in the public interest for the carrying out of the land  
23 uses and conservation treatment set forth in the agreement:  
24 Provided, That grants hereunder shall not exceed 80 per  
25 centum of the cost of carrying out such land uses and con-

1    *servation treatment on fifty acres of land occupied by such*  
2    *owner, operator, or occupier.*

3        *(e) The Secretary of Agriculture may terminate any*  
4    *agreement with a landowner, operator, or occupier by mutual*  
5    *agreement if the Secretary determines that such termination*  
6    *would be in the public interest, and may agree to such mod-*  
7    *ification of agreements previously entered into hereunder as*  
8    *he deems desirable to carry out the purposes of this section or*  
9    *to facilitate the practical administration of the program*  
10   *authorized herein.*

11        *(f) Notwithstanding any other provision of law, the*  
12   *Secretary of Agriculture, to the extent he deems it desirable to*  
13   *carry out the purposes of this section, may provide in any*  
14   *agreement hereunder for (1) preservation for a period not to*  
15   *exceed the period covered by the agreement and an equal*  
16   *period thereafter of the cropland, crop acreage, and allotment*  
17   *history applicable to land covered by the agreement for the*  
18   *purpose of any Federal program under which such history is*  
19   *used as a basis for an allotment or other limitation on the*  
20   *production of such crop; or (2) surrender of any such*  
21   *history and allotments.*

22        *(g) The Secretary of Agriculture shall be authorized to*  
23   *issue such rules and regulations as he determines are neces-*  
24   *sary to carry out the provisions of this section.*

25        ~~(b)~~ *(h) In carrying out the provisions of this section, the*



1 Secretary of Agriculture shall utilize the services of the Soil  
2 Conservation Service, and the State and local committees  
3 provided for in section 8 (b) of the Soil Conservation and  
4 Domestic Allotment Act (16 U.S.C. 590 (b) ), and is  
5 authorized to utilize the facilities, services, and authorities of  
6 the Commodity Credit Corporation. The Corporation shall  
7 not make any expenditures to carry out the provisions of  
8 this subsection unless funds specifically appropriated for such  
9 purpose have been transferred to it.

10 ~~(e)~~ (i) Not to exceed \$17,000,000 of the funds author-  
11 ized in section 401 of this Act shall be available to carry out  
12 this section.

13 TIMBER DEVELOPMENT ORGANIZATIONS

14 SEC. 204. (a) In order that the region shall more fully  
15 benefit from the timber stands that are one of its prime  
16 assets, the Secretary of Agriculture is authorized to—

17 (1) provide technical assistance in the organization  
18 and operation, under State law, of private timber de-  
19 velopment organizations having as their objective the  
20 carrying out of timber development programs to im-  
21 prove timber productivity and quality, and increase  
22 returns to landowners through establishment of private  
23 nonprofit corporations, which on a self-supporting basis  
24 may provide (A) continuity of management, good

cutting practices, and marketing services, (B) physical consolidation of small holdings or administrative consolidation for efficient management under long-term agreement, (C) management of forest lands, donated to the timber development organizations for demonstrating good forest management, on a profitable and taxpaying basis, and (D) establishment of a permanent fund for perpetuation of the work of the corporations to be composed of donations, real or personal, for educational purposes.

(2) provide not more than one-half of the initial capital requirements of such timber development organizations through loans under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1926 et seq.). Such loans shall not be used for the construction or acquisition of facilities for manufacturing, processing, or marketing forest products, *or for physical consolidation of small timber holdings authorized by (1)(B) above except for the establishment of demonstration units.*

(b) Not to exceed \$5,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### MINING AREA RESTORATION

SEC. 205. (a) In order to further the economic development of the region by rehabilitating areas presently dam-



1 aged by deleterious mining practices, the Secretary of the  
2 Interior is authorized to—

3       ~~(1) make financial contributions to States in the~~  
4       ~~region to seal and fill voids in abandoned coal mines in~~  
5       ~~accordance with the provisions of the Act of July 15,~~  
6       ~~1955 (30 U.S.C. 571 et seq.), without regard to section~~  
7       ~~2(b) thereof (30 U.S.C. 572(b)) or to any provisions~~  
8       ~~therein limiting assistance to anthracite coal formations,~~  
9       ~~or to the Commonwealth of Pennsylvania. Grants under~~  
10       ~~this paragraph shall be made solely out of funds specifi-~~  
11       ~~cally appropriated for the purpose of carrying out this~~  
12       ~~Act.~~

13       *(1) make financial contributions to States in the*  
14       *region to seal and fill voids in abandoned coal mines,*  
15       *and to reclaim and rehabilitate existing strip and surface*  
16       *mine areas, in accordance with provisions of the Act of*  
17       *July 15, 1955 (30 U.S.C. 571 et seq.), to the extent*  
18       *applicable, without regard to section 2(b) thereof (30*  
19       *U.S.C. 572(b)) or to any provisions therein limiting*  
20       *assistance to anthracite coal formation, or to the Com-*  
21       *monwealth of Pennsylvania. Grants under this para-*  
22       *graph shall be made wholly out of funds specifically*  
23       *appropriated for the purposes of carrying out this Act.*

24       (2) plan and execute projects for extinguishing

1 underground and outcrop mine fires in the region in  
2 accordance with the provisions of the Act of August 31,  
3 1954 (30 U.S.C. 551 et seq.), without regard to any  
4 provisions therein relating to annual appropriation au-  
5 thorization ceilings. Grants under this paragraph shall  
6 be made solely out of funds specifically appropriated  
7 for the purpose of carrying out this Act.

8 (3) expand and accelerate fish and wildlife restora-  
9 tion projects in the region in accordance with the provi-  
10 sions of the Act of September 2, 1937 (16 U.S.C. 669  
11 et seq.), and the Act of August 9, 1950 (16 U.S.C.  
12 777 et seq.), without regard to any provisions therein  
13 relating to apportionments among the States and to  
14 limitations on the availability of funds. The expenses  
15 of projects under this paragraph shall be paid solely out  
16 of funds specifically appropriated for the purpose of  
17 carrying out this Act, and shall not be taken into account  
18 in the computation of the apportionments among the  
19 States pursuant to any other provisions of law.

20 (b) For the fiscal years 1966 and 1967, notwithstand-  
21 ing any other provision of law, the Federal share of mining  
22 area restoration projects carried out under subsection (a) of  
23 this section and conducted on lands other than federally  
24 owned lands shall not exceed 75 per centum of the total cost  
25 thereof. Strip mine restoration projects shall be carried out



1 only on lands, public or private, on which there is provided  
2 access and use by the public to assure an adequate public  
3 benefit. *Projects shall be approved for assistance under*  
4 *subsection (a) only where expected public benefits are found*  
5 *to justify estimated Federal and State costs; access to and*  
6 *use of restored lands by the public is provided where appro-*  
7 *priate steps are taken, including, in appropriate cases, re-*  
8 *quirement for contributions to the cost of the project, which*  
9 *are adequate in the judgment of the Secretary to assure*  
10 *that individual property owners or mine operators do not*  
11 *receive undue financial benefits from the project. In select-*  
12 *ing projects for financial assistance, priority shall be given*  
13 *to those projects which are shown to be part of the develop-*  
14 *ment or implementation of a State program giving reason-*  
15 *able promise of obtaining a permanent solution of the*  
16 *problem dealt with.*

17 (c) The Congress hereby declares its intent to provide  
18 for a study of a comprehensive, long-range program  
19 for the purpose of reclaiming and rehabilitating strip and sur-  
20 face mining areas in the United States. To this general end,  
21 the Secretary of the Interior shall, in full cooperation with  
22 the Secretary of Agriculture, the Tennessee Valley Authority,  
23 and other appropriate Federal, State, and local departments  
24 and agencies, and with the Commission, make a survey and

1 study of strip and surface mining operations and their effects  
2 in the United States. The Secretary of the Interior shall  
3 submit to the President his recommendations for a long-range  
4 comprehensive program for reclamation and rehabilitation of  
5 strip and surface mining areas in the United States and for  
6 the policies under which the program should be conducted,  
7 and the President shall submit these to the Congress, together  
8 with his recommendations, not later than July 1, 1967. By  
9 July 1, 1966, the Secretary shall make an interim report to  
10 the Commission summarizing his findings to that date on  
11 those aspects of strip and surface mining operations in the  
12 region that are most urgently in need of attention. Such  
13 study and recommendations shall include, but not be limited  
14 to, a consideration of the following matters—

15           (1) the nature and extent of strip and surface min-  
16       ing operations in the United States and the conditions  
17       resulting therefrom;

18           (2) the ownership of the real property involved in  
19       strip and surface mining operations;

20           (3) the effectiveness of past action by States or  
21       local units of government to remedy the adverse effects  
22       of strip and surface mining operation by financial or  
23       regulatory measures, and requirements for appropriate  
24       State legislation, including adequate enforcement thereof,  
25       to provide for proper reclamation and rehabilitation of



1 areas which may be strip and surface mined in the  
2 future;

3 (4) the public interest in and public benefits which  
4 may result from reclamation, rehabilitation, and appro-  
5 priate development and use of areas subjected to strip  
6 and surface mining operations, including (A) economic  
7 development growth, (B) public recreation, (C) public  
8 health and safety, (D) water pollution, stream sedi-  
9 mentation, erosion control, and flood control, (E) high-  
10 way programs, (F) fish and wildlife protection and  
11 restoration, (G) scenic values, and (H) forestry and  
12 agriculture;

13 (5) the appropriate roles of Federal, State, and  
14 private interests in the reclamation and rehabilitation  
15 of strip and surface mining areas and the relative costs  
16 to be borne by each, including specific consideration of  
17 (A) the extent, if any, to which strip and surface mine  
18 operators are unable to bear the cost of remedial action  
19 within the limits imposed by the economics of such  
20 mining activity, and (B) the extent to which the pro-  
21 spective value of lands and other natural resources, after  
22 remedial work has been completed, would be inadequate  
23 to justify the landowners doing the remedial work at  
24 their expense; and

25 (6) the objectives and the total overall costs of a

1 program for accomplishing the reclamation and reha-  
2 bilitation of existing strip and surface mining areas in  
3 the United States, giving adequate consideration to (A)  
4 the economic benefits in relation to costs, (B) the pre-  
5 vention of future devastation of reclaimed and rehabili-  
6 tated areas, (C) the avoidance of unwarranted financial  
7 gain to private owners of improved property, and (D)  
8 the types of aid required to accomplish such reclamation  
9 and rehabilitation.

10 (d) Not to exceed ~~\$21,500,000~~ \$36,500,000 of the  
11 funds authorized in section 401 of this Act shall be available  
12 to carry out this section.

13 WATER RESOURCE SURVEY

14 SEC. 206. (a) The Secretary of the Army is hereby  
15 authorized and directed to prepare a comprehensive plan for  
16 the development and efficient utilization of the water and re-  
17 lated resources of the Appalachian region, giving special at-  
18 tention to the need for an increase in the production of eco-  
19 nomic goods and services within the region as a means of  
20 expanding economic opportunities and thus enhancing the  
21 welfare of its people, which plan shall constitute an integral  
22 and harmonious component of the regional economic develop-  
23 ment program authorized by this Act.

24 (b) This plan may recommend measures for the con-  
25 trol of floods, the regulation of the rivers to enhance their



1 value as sources of water supply for industrial and municipi-  
2 pal development, the generation of hydroelectric power, the  
3 prevention of water pollution by drainage from mines, the  
4 development and enhancement of the recreational potentials  
5 of the region, the improvement of the rivers for navigation  
6 where this would further industrial development at less cost  
7 than would the improvement of other modes of transporta-  
8 tion, the conservation and efficient utilization of the land re-  
9 source, and such other measures as may be found necessary  
10 to achieve the objectives of this section.

11 (c) To insure that the plan prepared by the Secretary  
12 of the Army shall constitute a harmonious component of  
13 the regional program, he shall consult with the Commission  
14 and the following: the Secretary of Agriculture, the Secre-  
15 tary of Commerce, the Secretary of Health, Education, and  
16 Welfare, the Secretary of the Interior, the Tennessee Valley  
17 Authority, and the Federal Power Commission.

18 (d) The plan prepared pursuant to this section shall  
19 be submitted to the Commission. The Commission shall sub-  
20 mit the plan to the President with a statement of its views,  
21 and the President shall submit the plan to the Congress with  
22 his recommendations not later than December 31, 1968.

23 (e) The Federal agencies referred to in subsection (c)  
24 of this section are hereby authorized to assist the Secretary  
25 of the Army in the preparation of the plan authorized by this

1 section, and the Secretary of the Army is authorized to enter  
2 into and perform such contracts, leases, cooperative agree-  
3 ments, or other transactions as may be necessary to the  
4 preparation of this plan and on such terms as he may deem  
5 appropriate, with any department, agency, or instrumen-  
6 tality of the United States or with any State, or any political  
7 subdivision, agency, or instrumentality thereof, or with any  
8 person, firm, association, or corporation.

9 (f) The plan to be prepared by the Secretary of the  
10 Army pursuant to this section shall also be coordinated with  
11 all comprehensive river basin plans heretofore or hereafter  
12 developed by United States study commissions, interagency  
13 committees, or similar planning bodies, for those river sys-  
14 tems draining the Appalachian region.

15 (g) Not to exceed \$5,000,000 of the funds authorized  
16 in section 401 of this Act shall be available to carry out  
17 this section.

18 PART B—SUPPLEMENTATIONS AND MODIFICATIONS OF  
19 EXISTING PROGRAMS

20 VOCATIONAL EDUCATION FACILITIES

21 SEC. 211. (a) In order to provide basic facilities to give  
22 the people of the region the training and education they  
23 need to obtain employment, the Secretary of Health, Edu-  
24 cation, and Welfare is authorized to make grants for con-  
25 struction of the school facilities needed for the provision



1 of vocational education in areas of the region in which such  
2 education is not now adequately available. Such grants  
3 shall be made in accordance with the provisions of the Voca-  
4 tional Education Act of 1963 (77 Stat. 403), without re-  
5 gard to any provisions therein relating to appropriation  
6 authorization ceilings or to allotments among the States.  
7 Grants under this section shall be made solely out of funds  
8 specifically appropriated for the purpose of carrying out  
9 this Act, and shall not be taken into account in the com-  
10 putation of the allotments among the States made pursuant  
11 to any other provision of law.

12 (b) Not to exceed \$16,000,000 of the funds authorized  
13 in section 401 of this Act shall be available to carry out  
14 this section.

15 SEWAGE TREATMENT WORKS

16 SEC. 212. (a) In order to provide facilities to assist in  
17 the prevention of pollution of the region's streams and to  
18 protect the health and welfare of its citizens, the Secretary  
19 of Health, Education, and Welfare is authorized to make  
20 grants for the construction of sewage treatment works in  
21 accordance with the provisions of the Federal Water Pollu-  
22 tion Control Act (33 U.S.C. 466 et seq.), without regard  
23 to any provisions therein relating to appropriation author-  
24 ization ceilings or to allotments among the States. Grants  
25 under this section shall be made solely out of funds specifi-

1 cally appropriated for the purpose of carrying out this Act,  
 2 and shall not be taken into account in the computation of  
 3 the allotments among the States pursuant to any other pro-  
 4 vision of law.

5 (b) Not to exceed \$6,000,000 of the funds authorized  
 6 in section 401 of this Act shall be available to carry out this  
 7 section.

#### 8 AMENDMENTS TO HOUSING ACT OF 1954

9 SEC. 213. (a) Section 701 (a) of the Housing Act of  
 10 1954 (40 U.S.C. 461 (a) ) is amended by striking the word  
 11 “and” at the end of paragraph (7), by substituting for the  
 12 period at the end of paragraph (8) the phrase “; and”, and  
 13 by adding a new paragraph (9) to read as follows:

14 “(9) the Appalachian Regional Commission, es-  
 15 tablished by the Appalachian Regional Development  
 16 Act of 1965, for comprehensive planning for the Ap-  
 17 palachian region as defined by section 403 of such Act.”

18 (b) Section 701 (b) of the Housing Act of 1954 (40  
 19 U.S.C. 461 (b) ), is amended by adding before the period  
 20 at the end of the first sentence the following: “, *to States*  
 21 *participating in planning for Appalachian regional pro-*  
 22 *grams, for expenses incurred in the course of such planning,*  
 23 *or to the Appalachian Regional Commission”.*

#### 24 SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

25 SEC. 214. (a) In order to enable the people, States, and



1 local communities of the region, including local development  
2 districts, to take maximum advantage of Federal grant-in-  
3 aid programs (as hereinafter defined) for which they are  
4 eligible but for which, because of their economic situation,  
5 they cannot supply the required matching share, the Secretary  
6 of Commerce is authorized, pursuant to specific recommenda-  
7 tions of the Commission approved by him and after consulta-  
8 tion with the appropriate Federal officials, to allocate funds  
9 appropriated to carry out this section to the heads of the  
10 departments, agencies, and instrumentalities of the Federal  
11 Government responsible for the administration of such Fed-  
12 eral grant-in-aid programs. Funds so allocated shall be used  
13 for the sole purpose of increasing the Federal contribution  
14 to projects under such programs above the fixed maximum  
15 portion of the cost of such project otherwise authorized by  
16 the applicable law. Funds shall be so allocated for Federal  
17 grant-in-aid programs for which funds are available under  
18 the Act authorizing such programs. Such allocations shall  
19 be available without regard to any appropriation authoriza-  
20 tion ceilings in such Act.

21 (b) The Federal portion of such costs shall not be in-  
22 creased in excess of the percentages established by regula-  
23 tions promulgated by the Secretary of Commerce, and such  
24 regulations shall in no event authorize the Federal portion  
25 of such costs to exceed 80 per centum thereof.

1       (c) The term "Federal grant-in-aid programs" as used  
2 in this section means those Federal grant-in-aid programs  
3 authorized by this Act for the construction or equipment of  
4 facilities, and all other Federal grant-in-aid programs author-  
5 ized on or before the effective date of this Act by Acts other  
6 than this Act for the acquisition of land and the construc-  
7 tion or equipment of facilities, including but not limited to  
8 grant-in-aid programs authorized by the following Acts:  
9 Federal Water Pollution Control Act; Watershed Protection  
10 and Flood Prevention Act; title VI of the Public Health  
11 Service Act; Vocational Education Act of 1963; Library  
12 Services Act; Federal Airport Act; part IV of title III of  
13 the Communications Act of 1934; Higher Education Facil-  
14 ities Act of 1963; Land and Water Conservation Fund Act  
15 of ~~1965~~ 1965; *National Defense Education Act of 1958*.

16 The term shall not include (A) the program for the construc-  
17 tion of the development highway system authorized by sec-  
18 tion 201 of this Act or any other program relating to high-  
19 way or road construction, or (B) any other program for  
20 which loans or other Federal financial assistance, except a  
21 grant-in-aid program, is authorized by this or any other Act.

22       (d) Not to exceed \$90,000,000 of the funds authorized  
23 in section 401 of this Act shall be available to carry out this  
24 section.



## PART C—GENERAL PROVISIONS

## MAINTENANCE OF EFFORT

SEC. 221. No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds, exclusive of Federal funds, for the benefit of the area within the State located in the region are maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act. In computing the average level of expenditure for its last two fiscal years, a State's past expenditure for participation in the National System of Interstate and Defense Highways shall not be included. The Commission shall recommend to the President or such Federal officer or officers as the President may designate, a lesser requirement when it finds that a substantial population decrease in that portion of a State which lies within the region would not justify a State expenditure equal to the average level of the last two years or when it finds that a State's average level of expenditure, within an individual program, has been disproportionate to the present need for that portion of the State which lies within the region.

## CONSENT OF STATES

SEC. 222. Nothing contained in this Act shall be inter-

1    preted as requiring any State to engage in or accept any  
2    program under this Act without its consent.

3                                   PROGRAM IMPLEMENTATION

4           SEC. 223. A program *and projects* authorized under any  
5    section of this title shall not be implemented until (1) the  
6    Commission has consulted with the appropriate official or  
7    officials concerned with such program *and projects* as may be  
8    designated by the Governor or Governors of the State or  
9    States involved and has obtained the recommendations of  
10   such official or officials with respect to such program *and*  
11   *projects* and (2) plans with respect to such program *and*  
12   *projects* have been recommended by the Commission and  
13   have been submitted to and approved or modified by the  
14   President or such Federal officer or officers as the President  
15   may designate.

16                                  PROGRAM DEVELOPMENT CRITERIA

17           SEC. 224. (a) In developing recommendations on the  
18   programs and projects to be given assistance under this Act,  
19   and in establishing within those recommendations a priority  
20   ranking of the requests for assistance presented to the Com-  
21   mission, the Commission shall follow procedures that will  
22   insure consideration of the following factors:

23                   (1) the relationship of the project or class of proj-  
24   ects to overall regional development including its loca-



tion in an area determined by the State to have ~~the~~  
~~greatest~~ *a significant* potential for growth;

(2) the population and area to be served by the  
 project or class of projects including the relative per  
 capita income and the unemployment rates in the area;

(3) the relative financial resources available to the  
 State or political subdivisions or instrumentalities thereof  
 which seek to undertake the project;

(4) the importance of the project or class of proj-  
 ects in relation to other projects or classes of projects  
 which may be in competition for the same funds;

(5) the prospects that the project for which assist-  
 ance is sought will improve, on a continuing rather than  
 a temporary basis, the opportunities for employment,  
 the average level of income, or the economic and social  
 development of the area served by the project.

(b) ~~Nothing in this Act shall authorize any assistance~~  
*No financial assistance shall be authorized* under this Act to  
 be used (1) in relocating *any establishment or* establishments  
 from one area to another; (2) to finance the cost of industrial  
 plants, commercial facilities, machinery, working ~~capital~~;  
*capital, or other industrial facilities or to enable plant sub-*  
*contractors to undertake work theretofore performed in*  
*another area by other subcontractors or contractors;*

1 (3) to finance the cost of facilities for the generation, trans-  
2 mission, or distribution of electric energy; or (4) to finance  
3 the cost of facilities for the production, transmission, or dis-  
4 tribution of gas (natural, manufactured, or mixed).

### 5 TITLE III—ADMINISTRATION

#### 6 LOCAL DEVELOPMENT DISTRICTS—CERTIFICATION

7 SEC. 301. For the purposes of this Act, a “local develop-  
8 ment district” shall be an entity certified to the Commission  
9 either by the Governor of the State or States in which such  
10 entity is located, or by the State officer designated by the  
11 appropriate State law to make such certification, as having  
12 a charter or authority that includes the economic develop-  
13 ment of counties or parts of counties or other political sub-  
14 divisions within the region. No entity shall be certified as  
15 a local development district for the purposes of this Act  
16 unless it is one of the following:

17 (1) a nonprofit incorporated body organized or  
18 chartered under the law of the State in which it is  
19 located;

20 (2) a nonprofit agency or instrumentality of a State  
21 or local government;

22 (3) a nonprofit agency or instrumentality created  
23 through an interstate compact; or

24 (4) a nonprofit association or combination of such  
25 bodies, agencies, and instrumentalities.



1 GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DE-  
2 VELOPMENT DISTRICTS AND FOR RESEARCH AND  
3 DEMONSTRATION PROJECTS

4 SEC. 302. (a) The Secretary of Commerce is author-  
5 ized—

6 (1) either directly or through arrangements with  
7 the Commission, to make grants for administrative ex-  
8 penses to local development districts. The amount of  
9 any such grant shall not exceed 75 per centum of such  
10 expenses in any one fiscal year. No grants for adminis-  
11 trative expenses shall be made to a local development  
12 district for a period in excess of three years beginning on  
13 the date the initial grant is made to such development  
14 district. The local contributions for administrative ex-  
15 penses may be in cash or in kind, fairly evaluated, in-  
16 cluding but not limited to space, equipment, and serv-  
17 ices; and

18 (2) either directly or through arrangements with  
19 appropriate public or private organizations (including  
20 the Commission), to provide funds for investigation,  
21 research, studies, and demonstration projects, but not  
22 for construction purposes, which will further the pur-  
23 poses of this Act.

24 (b) *Recipients of Federal assistance under the pro-*  
25 *visions of this section shall, in accordance with regulations*

1 to be promulgated by the Secretary of Commerce, maintain  
2 accurate and complete records of transactions and activities  
3 financed with Federal funds and report thereon to the  
4 Secretary of Commerce. The records of the recipient shall  
5 be available for audit with respect to such grants by the  
6 Secretary of Commerce and the Comptroller General, or  
7 their duly authorized representatives.

8        ~~(b)~~ (c) Not to exceed \$5,500,000 of the funds author-  
9        ized in section 401 of this Act shall be available to carry out  
10       this section.

## PROJECT APPROVAL

SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made only by a State, a political subdivision of a State, or a local development district. Each such application shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate such application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance by the Commission.

## ANNUAL REPORT

23 SEC. 304. Not later than six months after the close of  
24 each fiscal year, the Commission shall prepare and submit  
25 to the Governor of each State in the region and to the Presi-



1 dent, for transmittal to the Congress, a report on the activi-  
2 ties carried out under this Act during such year.

## 3 TITLE IV—APPROPRIATIONS AND

## 4 MISCELLANEOUS PROVISIONS

### 5 AUTHORIZATION OF APPROPRIATIONS

6 SEC. 401. In addition to the appropriations authorized  
7 in section 201 for the Appalachian development highway  
8 system, there is hereby authorized to be appropriated for  
9 the period ending June 30, 1967, to be available until  
10 expended, not to exceed ~~\$237,200,000~~ \$252,400,000 to  
11 carry out this Act.

### 12 APPLICABLE LABOR STANDARDS

13 SEC. 402. All laborers and mechanics employed by con-  
14 tractors or subcontractors in the construction, alteration, or  
15 repair, including painting and decorating, of projects, build-  
16 ings, and works which are financially assisted through the  
17 Federal funds authorized under this Act, shall be paid wages  
18 at rates not less than those prevailing on similar construc-  
19 tion in the locality as determined by the Secretary of Labor  
20 in accordance with the Davis-Bacon Act, as amended (40  
21 U.S.C. 276a—276a-5). The Secretary of Labor shall have  
22 with respect to such labor standards, the authority and func-  
23 tions set forth in Reorganization Plan Numbered 14 of  
24 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133—

1 133z-15), and section 2 of the Act of June 13, 1934, as  
2 amended (48 Stat. 948, as amended; 40 U.S.C. 276 (c) ).

3 DEFINITION OF APPALACHIAN REGION

4 SEC. 403. As used in this Act, the term "Appalachian  
5 region" or "the region" means that area of the eastern  
6 United States consisting of the following counties (including  
7 any political subdivision located within such area) :

8 In Alabama, the counties of Bibb, Blount, Calhoun,  
9 Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert,  
10 Coosa, Cullman, De Kalb, Elmore, Etowah, Fayette,  
11 Franklin, Jackson, Jefferson, *Lauderdale*, Lawrence,  
12 Limestone, Madison, Marion, Marshall, Morgan, Ran-  
13 dolph, Saint Clair, Shelby, Talladega, Tallapoosa,  
14 Tuscaloosa, Walker, and Winston;

15 In Georgia, the counties of Banks, Barrow, Bartow,  
16 Carroll, Catoosa, Chattooga, Cherokee, Dade, Dawson,  
17 Douglas, Fannin, Floyd, Forsyth, Franklin, Gilmer,  
18 Gordon, Gwinnett, Habersham, Hall, Haralson, Heard,  
19 Jackson, Lumpkin, Madison, Murray, Paulding, Pick-  
20 ens, Polk, Rabun, Stephens, Towns, Union, Walker,  
21 White, and Whitfield;

22 In Kentucky, the counties of Adair, Bath, Bell,  
23 Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton,  
24 Cumberland, Elliott, Estill, Fleming, Floyd, Garrard,  
25 Green, Greenup, Harlan, Jackson, Johnson, Knott,



1 Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis,  
 2 Lincoln, McCreary, Madison, Magoffin, Martin, Menifee,  
 3 Monroe, Montgomery, Morgan, Owsley, Perry, Pike,  
 4 Powell, Pulaski, Rockcastle, Rowan, Russell, Wayne,  
 5 Whitley, and Wolfe;

6 In Maryland, the counties of Allegany, Garrett, and  
 7 Washington;

8 In North Carolina, the counties of Alexander, Alle-  
 9 ghany, Ashe, Avery, Buncombe, Burke, Caldwell,  
 10 Cherokee, Clay, Davie, Forsyth, Graham, Haywood,  
 11 Henderson, Jackson, McDowell, Macon, Madison,  
 12 Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Tran-  
 13 sylvania, Watauga, Wilkes, Yadkin, and Yancey;

14 In Ohio, the counties of Adams, Athens, Belmont,  
 15 Brown, *Carroll*, Clermont, *Coshocton*, Gallia, Guernsey,  
 16 Harrison, Highland, Hocking, *Holmes*, Jackson, Jeffer-  
 17 son, Lawrence, Meigs, Monroe, Morgan, Muskingum,  
 18 Noble, Perry, Pike, Ross, Scioto, *Tuscarawas*, Vinton,  
 19 and Washington;

20 In Pennsylvania, the counties of Allegheny, Arm-  
 21 strong, Beaver, Bedford, Blair, Bradford, Butler,  
 22 Cambria, Cameron, Carbon, Centre, Clarion, Clear-  
 23 field, Clinton, Columbia, Crawford, Elk, Erie, Fayette,  
 24 Forest, Fulton, Greene, Huntingdon, Indiana, Jefferson,  
 25 Juniata, Lackawanna, Lawrence, Luzerne, Lycoming,

1 McKean, Mercer, Mifflin, Monroe, Montour, North-  
 2 umberland, Perry, Pike, Potter, Schuylkill, Snyder,  
 3 Somerset, Sullivan, Susquehanna, Tioga, Union,  
 4 Venango, Warren, Washington, Wayne, Westmoreland,  
 5 and Wyoming;

6 In South Carolina, the counties of Anderson, Chero-  
 7 kee, Greenville, Oconee, Pickens, and Spartanburg;

8 In Tennessee, the counties of Anderson, Bledsoe,  
 9 Blount, Bradley, Campbell, Carter, Claiborne, Clay,  
 10 Cocke, Coffee, Cumberland, De Kalb, Fentress,  
 11 Franklin, Grainger, Greene, Grundy, Hamblen,  
 12 Hamilton, Hancock, Hawkins, Jackson, Jefferson,  
 13 Johnson, Knox, Loudon, McMinn, Macon, Marion,  
 14 Meigs, Monroe, Morgan, Overton, Pickett, Polk, Put-  
 15 nam, Rhea, Roane, Scott, Sequatchie, Sevier, Smith,  
 16 Sullivan, Unicoi, Union, Van Buren, Warren, Wash-  
 17 ington, and White;

18 In Virginia, the counties of Alleghany, Bath, Bland,  
 19 Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd,  
 20 Giles, Grayson, Highland, Lee, Pulaski, Russell, Scott,  
 21 Smyth, Tazewell, Washington, Wise, and Wythe.

22 All the counties of West Virginia.

23 SEVERABILITY

24 SEC. 404. If any provision of this Act, or the applica-  
 25 bility thereof to any person or circumstance, is held invalid,



1 the remainder of this Act, and the application of such  
2 provision to other persons or circumstances, shall not be  
3 affected thereby.

4 TERMINATION

5 SEC. 405. This Act shall cease to be in effect on July 1,  
6 1971.







89TH CONGRESS  
1ST SESSION**S. 3**

[Report No. 13]

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**A BILL**

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To provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

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By Mr. RANDOLPH, Mr. COOPER, Mr. ANDERSON, Mr. BARTLETT, Mr. BASS, Mr. BAYH, Mr. BREWSTER, Mr. BURDICK, Mr. BYRD of West Virginia, Mr. CLARK, Mr. DODD, Mr. DOUGLAS, Mr. GORE, Mr. GRUNING, Mr. HART, Mr. HARTKE, Mr. INOUYE, Mr. JOHNSTON, Mr. KENNEDY of Massachusetts, Mr. MAGNUSON, Mr. MCCARTHY, Mr. MCGOVERN, Mr. McNAMARA, Mr. METCALF, Mr. MONDALE, Mr. MORSE, Mr. MORTON, Mr. MOSS, Mr. NELSON, Mrs. NEUBERGER, Mr. PEIL, Mr. RIBICOFF, Mr. SCOTT, Mr. TYDINGS, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, and Mr. YOUNG of Ohio

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JANUARY 6, 1965

Read twice and referred to the Committee on Public Works

JANUARY 27, 1965

Reported with amendments



(1) conduct extensive comparative studies of the standards of weights and measures used in engineering, manufacturing, commercial and scientific areas and in educational institutions, and the relative advantages and disadvantages of each in its respective field;

(2) cooperate with other governmental agencies and private organizations in determining the advantages and disadvantages of a general conversion to the metric system in the United States or of a conversion to such system in specific fields and the impact of such conversion upon those affected;

(3) cooperate with foreign governments in determining the advantages to the United States in international trade and commerce, and in military and other areas of international relations, to be derived from an internationally standardized system of weights and measures; and

(4) investigate the attitudes of the departments and agencies of the Federal Government and of the several States with respect to possible practical difficulties which might be encountered in accomplishing a conversion to the metric system of weights and measures generally or in specific fields or areas in the United States.

Sec. 3. The Secretary shall submit to the Congress such interim reports as he deems desirable, and within three years after the date of the enactment of this Act, a full and complete report of the findings made in the conduct of the program described in the first section of this Act, together with such recommendations as he considers to be appropriate and in the best interests of the United States.

Sec. 4. There are authorized to be appropriated such sums, not to exceed \$2,500,000 as may be necessary to carry out this Act.

#### AUTHORITY FOR FEDERAL NATIONAL MORTGAGE ASSOCIATION TO DEAL IN MORTGAGES

Mr. SPARKMAN. Mr. President, by request, I introduce, for appropriate reference, a bill to empower the Federal National Mortgage Association to deal in conventional mortgages and to provide otherwise for its further development as a secondary market facility. I ask unanimous consent that an analysis of the bill be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the analysis will be printed in the RECORD.

The bill (S. 787) to empower the Federal National Mortgage Association to deal in conventional mortgages and to provide otherwise for its further development as a secondary market facility, introduced by Mr. SPARKMAN, by request, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The analysis presented by Mr. SPARKMAN is as follows:

##### ANALYSIS OF S. 787

The purpose of this bill is to empower the Federal National Mortgage Association to deal in conventional mortgages and to provide otherwise for its further development as a secondary market facility.

The first section of the bill revises section 302(b) of the Federal National Mortgage Association Charter Act so as to enlarge the scope of the Association's operations. Under its regular secondary market operations, which are in the main privately financed, the Association would be authorized to purchase, lend on the security of, and otherwise deal in conventional (uninsured)

mortgages which do not exceed 80 percent of the appraised value of the security, and also in similar mortgages when the loan-value ratio exceeds 80 percent if the excess is covered by suitable mortgage insurance of an acceptable private insurer. Also as to the secondary market operations, certain existing operating restrictions are dropped as not being appropriately applicable to a privately financed activity intended to serve the broad general secondary market for mortgages:

These consist of the prohibition against purchasing mortgages at a price exceeding par (100); the prohibition against purchasing mortgages offered by, or covering property held by, Federal, State, territorial, or municipal instrumentalities; and a mortgage amount ceiling of \$20,000 for each family residence or dwelling unit (as to which existing law now provides several exceptions). All present restrictions are retained, however, with one exception (see next paragraph) as to corporation's special assistance functions, which are wholly government financed.

As to the Treasury-financed special assistance functions, and also the management and liquidating functions, section 1 would accomplish the elimination of the existing prohibition against the corporation's acquisition of mortgages from Federal instrumentalities, in order to provide for possible future centralization of Government mortgage ownership and management. Present law provides an exception to the foregoing, in that mortgages can now be acquired from the Housing and Home Finance Agency and its constituents; the bill would expand this to include other Federal instrumentalities. All other restrictive provisions in existing law, including the general prohibition against acquisitions of mortgages from States and their instrumentalities, are retained.

Section 2 would expand the scope of the corporate activities under the privately financed secondary market operations, also. It would repeal section 304(d) of the FNMA Charter Act, which now states: "The Association may not purchase participations in its operations under this section." The purpose, of course, is to empower FNMA to buy, sell, etc., participations in mortgages, a type of transaction which has become markedly significant recently in the field of secondary market activity in mortgages.

#### UNIFORM PATENT POLICY

Mr. SALTONSTALL. Mr. President, I introduce, for appropriate reference, a bill to prescribe a uniform patent policy with respect to proprietary rights in and to inventions, discoveries, and improvements realized through Government research and development contracts. Included in this bill is provision for Government inventive contributions awards.

I introduced a similar bill during the first session of the last Congress in the belief that there is a definite and continuing need for congressional action to establish a defined, statutory policy concerning disposition of patent rights arising out of Government research and development contracts with private parties. That this need is apparent is evident in the statement of Government patent policy promulgated by the late President Kennedy in October 1963. This memorandum was a positive step toward a solution of this problem; however, I believe it imperative to express Government policy toward disposition of patent rights under research and development contracts by specific statutory enactment.

There has been a dramatic increase during the past 20 years in Government research and development contracts with private parties. This is shown by the fact that during the current fiscal year, the Government will obligate approximately \$15 billion for research and development. This alone illustrates the importance of these contracts to the national economy.

The absence of a uniform Government patent policy has resulted too often in confusion and uncertainty both within the Government and among private segments of our society. This condition should not be permitted to continue. I believe it is essential that specific legislation be enacted which will provide express standards for all departments and agencies of the Government to employ for determining the rights of parties under its research and development contracts. Reason, logic and equity require that this be done.

I recognize that this entire subject is extremely complex and solutions for the various problems which arise under it are often difficult to find. Certainly there is no rigid formula which can be applied to resolve all cases dealing with the proper disposition of patent rights under Government research and development contracts. I believe, however, that this bill can serve as a basis for establishing reasonable standards for the negotiation of these contracts.

My bill provides, with certain specific exceptions, that the patent rights of the parties shall be determined at the time Government research and development contracts are negotiated. It establishes criteria for determining disposition of these rights and provides that the Government will always receive an irrevocable, nonexclusive, nontransferable, royalty free license to any invention developed under these contracts.

In my opinion, this bill insures protection of the rights of all parties to research and development contracts and gives due recognition to their contribution and effort in a manner consistent with our system of free enterprise. I believe that this bill offers a reasonable basis for the establishment of a Government patent policy toward research and development contracts.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 789) to prescribe a national policy with respect to the determination and disposition of property rights to inventions made in the course of experimental, developmental, and research work conducted under contracts or arrangements with the U.S. Government; to promote the public interest through widespread use and benefit from such inventions; to provide incentives to invention by rewarding inventors; and for other purposes introduced by Mr. SALTONSTALL, was received, read twice by its title, and referred to the Committee on the Judiciary.

#### EXTENSION OF THE AREA RE-DEVELOPMENT ACT

Mr. SCOTT. Mr. President, I introduce, for appropriate reference, a bill to



amend certain provisions of the Area Redevelopment Act.

I have supported area redevelopment legislation since 1957. It was a much-needed program then and it still is now. But our quest for really effective and equitable area redevelopment legislation has not been easy.

Twice bills were passed by Congress and then vetoed, in part because the legislation was faulty. Then when legislation passed for a third time and was signed into law in 1961, it was so loaded with extraneous features that the best of national administrations would have had difficulty in properly implementing it.

Indeed, at times this whole idea of providing help for communities to help themselves has been degraded into a "pork barrel" program.

Shocking evidence of inequities, waste and unfair treatment of States like Pennsylvania in the administration of the area redevelopment program was brought to light just last October when the General Accounting Office reported that \$26 million in funds administered under the area redevelopment program had been spent in areas which no longer needed them.

While those funds were fattening up areas which had already achieved economic recovery, areas which were still in need such as Scranton and Uniontown-Connellsville, Pa., had not received grants because of insufficient funds.

I have always thought of area redevelopment legislation as a rifle that should pinpoint areas of greatest need and provide help where needed the most. That was the objective of the first bill I sponsored many years ago and that is the objective of a bill that I am introducing today. It would extend the area redevelopment program for 4 years, but would limit its benefits to areas of real need, rather than firing hard-earned tax dollars around like buckshot.

My bill would largely limit area redevelopment funds to areas of chronic and persistent unemployment having a labor force of 15,000 or more. But it would not foreclose assistance to areas having smaller labor forces which meet tightened eligibility requirements, or areas which have suffered disasters or are faced with an abrupt rise in unemployment, such as that which will be caused if the Olmsted Air Force Base is closed.

This legislation will mean a fairer distribution of funds to areas of real need in Pennsylvania and other States with pockets of chronic and persistent unemployment. Moreover, I have been assured by Pennsylvania Secretary of Commerce, John K. Tabor, that the tightened eligibility requirements will not eliminate one Pennsylvania county or community.

The introduction of this bill conforms with a pledge I made to the people of Pennsylvania last fall, and I am urging its prompt consideration.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 790) to amend certain provisions of the Area Redevelopment Act, introduced by Mr. SCOTT, was received, read twice by its title, and referred to the Committee on Banking and Currency.

#### AMENDMENT OF SECTION 8(e) OF SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

Mr. ELLENDER. Mr. President, I introduce for appropriate reference, a bill to amend section 8(e) of the Soil Conservation and Domestic Allotment Act. I ask unanimous consent that a letter from the Secretary of Agriculture, relating to the bill, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 792) to amend section 8(e) of the Soil Conservation and Domestic Allotment Act, introduced by Mr. ELLENDER, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The letter presented by Mr. ELLENDER is as follows:

DEPARTMENT OF AGRICULTURE,  
Washington, D.C., January 8, 1965.

Hon. CARL HAYDEN,  
President pro tempore,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR HAYDEN: The Department of Agriculture recommends that section 8(e) of the Soil Conservation and Domestic Allotment Act, as amended, be further amended to substitute language for the "small cost-share increase" provision, which would direct the Secretary to give particular consideration to the conservation requirements of small family farms in the approval of agricultural conservation program (ACP) cost-sharing assistance for the application of needed conservation measures.

There is enclosed a draft of a bill to accomplish this proposal. This is identical with a bill, S. 2734, introduced in the 88th Congress but not enacted.

The present provision requires that each payment of less than \$200 shall be increased by a specific dollars and cents amount ranging essentially from 40 percent of the earned cost-shares for the smallest payments to a \$14 increase on cost-shares from \$60 to \$186. This provision has for many years substantially failed to accomplish the purpose for which it was originally designed. It was added to the act beginning with the 1938 program when the major use of program funds was for production adjustment or control purposes. At that time the size of payment was closely related to the size of farm and by giving additional assistance in the low-payment brackets (which the present rigid formula requires) the objective of providing more assistance to small farms was substantially achieved.

This situation does not exist in present programs since the amount of ACP payment is no longer closely related to the size of farm. Under present programs devoted entirely to assisting farmers to apply needed soil, water, woodland, and wildlife conserving measures, small payments are in numerous cases made to large farms. The effect of the present provision is to reward the farmers who do the least amount of conservation work regardless of the conservation needs of their lands, the financial assistance needed by the farmer, or the size of the farm.

An objective of giving increased attention to the conservation problems of small family farms can be much more nearly met if the Secretary were not required to apply the arbitrary, mechanical formula presently required. Flexibility is needed so that the objective can be carried out in a manner most appropriate to each area, taking into account the variation in the physical size of family farms in different areas, the relative needs of farmers for assistance, and other relevant factors.

The enactment of this proposal would not alter the legislative requirement of section 15 of the Soil Conservation and Domestic Allotment Act that funds be allotted among the States in accordance with the relative need of their lands for conservation measures. Its enactment would eliminate the necessity for the Secretary temporarily to withhold a part of the authorized funds to be added later for these ineffective "small cost-share increases," and permit those needed funds to be used to get increased conservation work.

A great majority of the former committees who administer the agricultural conservation program have been recommending for many years that such a change be made. They have repeatedly proposed using the funds otherwise required for those complicated and unproductive arbitrary increases, to share the cost of additional conservation work on farms on which the funds are most needed to accomplish the original purposes of this legislation.

Enactment of this proposal would not require additional appropriations, but would permit more effective use of all of the funds authorized.

A similar letter and a copy of this draft of a bill is being sent to the Speaker of the House of Representatives.

The Bureau of the Budget advises that there is no objection to the presentation of this proposed legislation from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN,  
Secretary.

#### APPALACHIAN REGIONAL CONTROL ACT OF 1965—MINORITY VIEWS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the minority be permitted to file its views on S. 3, the Appalachia bill, which I believe has already been reported by the Committee on Public Works.

The VICE PRESIDENT. Without objection, it is so ordered.

#### ADDITIONAL COSPONSOR TO S. 296

Mr. KUCHEL. Mr. President, I ask unanimous consent that at the next printing of S. 296 the name of the distinguished junior Senator from Arizona [Mr. FANNIN] be added as a cosponsor.

The VICE PRESIDENT. Without objection, it is so ordered.

#### ADDITIONAL COSPONSOR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the name of the distinguished Senator from Ohio [Mr. LAusche] be added as a cosponsor to S. 296, the bill to make available to private industry 100,000 tons of copper from Government stockpiles.

The VICE PRESIDENT. Without objection, it is so ordered.

#### ADDITIONAL COSPONSORS OF SENATE RESOLUTION 38 DEALING WITH VETERANS' ADMINISTRATION FACILITIES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the names of the senior Senator from New Mexico [Mr. ANDERSON], and the junior Senator from New Hampshire [Mr. McINTYRE] may be added as cosponsors to Senate Resolution 38 which seeks to withhold action on the closing of various Vet-



## SAVE OUR LOGS AT OLYMPIA

The Save Our Logs organization is moving in on the Washington legislature today to seek legislation to ban sale of logs from State-owned lands for export. Oregon enacted such a law some sessions ago but modified it some in 1963. The Eugene Register-Guard, taking note of the meeting in Olympia today, says the advocates of restriction will have to overcome the report of the Batelle Research organization which stated, on the basis of its study, that Washington's economy benefits from this export rather than holding the logs for local processing. The Register-Guard declares: "That's a preposterous conclusion, and it must not be allowed to stand."

What's preposterous about it? And on what evidence does the Register-Guard base its claim? This export business has been giving extensive employment to loggers, truckers, longshoremen, shippers, which offsets to a considerable degree the loss to millhands and others if the logs were locally milled. There is definite profit to the timberland owner. He gets a good price. (There is a natural tendency of small mill operators to hold down the cost of the logs they buy.) The Japanese take a great deal of low-grade stuff, a lot of hemlock and small logs. This cleans up the forest better. Finally, if the competition did reduce somewhat the output of local mills it might improve the prices for finished products of all the others. Millmen are always complaining about too much production. Some mills might suffer, while the majority gained.

Frankly we can't say whether the log export results in plus or minus dollars to the economy of the Northwest. We do know that we need to export, that Japan is a good customer for American goods, whose goodwill we want to cultivate. Fundamentally we are opposed to trade barriers and quotas and restrictions. The Statesman opposed the Oregon measure when it was pending and hopes that Washington will hold the ground for freedom of trade in logs.

#### AUTHORIZATION OF VETERANS' ADMINISTRATION TO EXTEND AID ON ACCOUNT OF DEFECTS IN PROPERTIES PURCHASED WITH FINANCING ASSISTANCE UNDER CHAPTER 37, TITLE 38, UNITED STATES CODE

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 3, S. 507.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 507) to authorize the Veterans' Administration to extend aid on account of defects in properties purchased with financing assistance under chapter 37, title 38, United States Code.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency.

Mr. SPARKMAN. Mr. President, I have some brief remarks to make concerning the measure which is now pending before the Senate.

The pending measure, that is, S. 507, would allow the Veterans' Administration to extend aid to distressed homeowners who, after relying upon VA or FHA standard construction inspections, find structural defects in their homes

which were purchased with GI mortgage loans. The bill also would provide that the relief to such homeowners would extend for a 4-year period after occupancy of the home.

Under existing procedure, when a veteran finds, within 1 year after occupying his new home, structural or other major defects, he can request the builder to correct these deficiencies. If the builder refuses, the veteran can then turn to the VA and that agency will cooperate in attempting to have the builder do the necessary work. If the builder continues to refuse, the VA can then cease doing business with the builder.

This procedure has worked very well. In the majority of cases where veterans have found structural deficiencies in their new homes, builders have cooperated to the maximum extent with the veteran and the VA. However, it is that very small percentage of builders who refuse to cooperate that this bill is aimed toward; that is, those who make absolutely no attempt to correct the deficiencies.

Of course, in these circumstances, the builder will lose his privilege of dealing with the VA, but it is the veteran homeowner who will ultimately suffer. My bill will do justice to those particular homeowners.

The 1964 Housing Act gave the Federal Housing Commissioner the same authority that S. 507 seeks to give to the Administrator of the Veterans' Administration. I believe it is only equitable that those who have VA-guaranteed mortgages should have the same protection as those who have FHA-insured mortgages.

Mr. President, in view of the cooperation that veteran homeowners have received from their builders in the past, I do not anticipate that the Administrator will be called upon to use the authority which this bill would grant to him to any great extent. In fact, I am informed that the FHA commissioner has not, thus far, been called upon to use the authority which was granted to him by the Housing Act of 1964. I might add, however, that the pending bill as well as the Housing Act of 1964 provides the veteran homeowner or his civilian counterpart, as the case may be, an avenue of relief when all other reasonable avenues are closed to him.

This bill was reported favorably to the Senate in the previous Congress and was passed by the Senate. However, it did not pass the House in the closing days of the session.

So far as cost is concerned, it is doubtful that there will be any material cost involved, because we believe that giving the Veterans' Administration the right to use this authority will tighten up the situation to such an extent that no appreciable costs will be entailed.

The Commission of VA has not yet had to spend any money under the 1964 act.

The pending bill, S. 507, was reported by the Committee on Banking and Currency without objection, and I urge favorable consideration of it by the Senate.

Mr. YARBOROUGH. Mr. President, I would like to lend my support to the bill S. 507, which would authorize the Veterans' Administration to extend aid

on account of defects in VA-financed properties. Last year this same provision was made available for home loans made under the FHA program, but the bill extending the same privilege to veterans, S. 2470, was not considered in the House, after its passage by the Senate.

One of the most successful laws in our history has been the loan program under both the World War II and the Korean GI bills. By virtue of these programs, one out of every five homes in our Nation has been built, and the Government has made a profit from the interest paid on these VA-guaranteed loans. This bill would be valuable in maintaining the solidity of this program, as it would allow the Veterans' Administration to correct structural defects in the veteran's home without first having to take over title to the home, as it is now required to do. It is a sound policy to extend this program to our veterans, just as it was extended to civilians under the FHA program last year.

In connection with the success of previous loan programs under the previous GI bills, I would also like to mention that S. 9, the cold war GI bill, will extend this same privilege to the veterans of the cold war. The significance of a loan program for our returning veterans cannot be overestimated in its value to the veteran himself, nor can we overlook the boost which it provides for the economy as a whole. When 20 percent of the homes in this country can be attributed to this single program, it is undeniable that a future loan program for the cold war veteran will be of considerable significance in the future of our country.

Although the educational benefits of the cold war GI bill are inestimable, when we combine them with the value produced by the loans to these veterans, this bill becomes a necessity for the economic welfare of our Nation.

The VICE PRESIDENT. The bill (S. 507) is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 507) was passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 37 of title 38, United States Code, is amended by adding at the end thereof the following new section:*

*"§ 1826. Expenditures to correct or compensate for substantial defects in mortgaged homes*

*"(a) The Administrator is authorized, with respect to any property improved by a one- to four-family dwelling inspected during construction by the Veterans' Administration or the Federal Housing Administration which he finds to have structural defects, to make expenditures for (1) correcting such defects, (2) paying the claims of the owner of the property arising from such defects, or (3) acquiring title to the property: Provided, That such authority of the Administrator shall exist only (A) if the owner has*



requested assistance under this section not later than four years (or such shorter time as the Administrator may prescribe) after the mortgage loan was made, guaranteed, or insured, and (B) if the property is encumbered by a mortgage which is made, guaranteed, or insured under this chapter after the date of enactment of this Act.

"(b) The Administrator shall by regulation prescribe the terms and conditions under which expenditures and payments may be made under the provisions of this section, and his decisions regarding such expenditures or payments, and the conditions under which the same are approved or disapproved, shall be final and conclusive, and shall not be subject to judicial review.

"(c) The Administrator is authorized to make expenditures for the purposes of this section from the funds established pursuant to sections 1823 and 1824 of this title, as applicable."

(b) The analysis of chapter 37 of title 38, United States Code, is amended by adding at the end thereof the following:

"1826. Expenditures to correct or compensate for substantial defects in mortgaged homes."

Mr. MANSFIELD. Mr. President, I move that the vote by which both bills were passed be reconsidered.

Mr. SPARKMAN. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

#### APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

Mr. LAUSCHE. Mr. President, I had hoped to obtain the opportunity to appear before the committee before consideration of the Appalachia bill. The hearings have been completed, as I understand it. The bill is likely to be reported today.

The bill, when adopted, will become a precedent for similar programs being asked for by other regions of the country. It is my opinion, therefore, that before final action is taken on this bill, it should be viewed not only from a short, but also from a long-range standpoint. If there are weaknesses in the bill, they should be removed now. Those weaknesses should not be a foundation and precedent for inclusion in similar bills which will be presented to deal with other areas of the Nation.

It is my understanding that there is already pending a request for an Ozark Mountain bill, and a Mesabi Range bill.

I also understand that the Senator from Wisconsin is sponsoring a bill which would establish a base for expansion in seven regions.

The particular subjects which I have in mind deal with the chapter which would allow the Government to give up to \$500 each to farmers in Appalachia, to be used in improving pastureland. The \$500 will not be a loan; it will be a gift. Presumably, the gift will be used to improve pastureland. A farmer in Appalachia will be allowed to use that money as reimbursement for his expenditures in obtaining fertilizer, tile, irrigation systems, and fences, to increase the population of cattle in the country.

What bothers me is the paradox. In one instance we are spending money to get farmers out of production. In the

next instance, we are saying to a farmer, "We will give you \$500 to improve your pastureland." One of the two programs is wrong. They cannot both be right.

It has been recommended that in order to bring farm production into some fair relationship with consumption, 1 million farmers ought to leave the land. I make no comment on whether that recommendation is sound.

However, if we wish to have 1 million farmers leave their land, on what theory of rationalization can we say to the taxpayer, "Let us give to each farmer in Appalachia \$500 to increase cattle population"? It requires extraordinary gymnastics of the mind to be able to rationalize those two obviously inconsistent positions.

Many experts have an amazing gymnastic ability in trying to develop logical conclusions based upon premises which are completely inconsistent. Let us say that in the Appalachia region the program that I have stated would not mean much. What will be the situation when the program is applied to seven other regions in the country, in addition to the weakness I have pointed out?

There is now on the statute books a program which provides aid in rehabilitating the land of a farmer without cost. In the last 6 or 7 years amendments have been offered to farm bills designed to reduce the amount of money which would be provided for the supplying of fertilizer, drainage pipes, irrigation systems, and fences. We now have a proposal to build a new program upon an old program the propriety of which has been vigorously challenged.

Mr. President, I should like to refer to another paradox on which I can speak with considerable authority. As a result of strip coal mining operations on land in my own State, many areas of our State have been devastated and sterilized. They are areas that once consisted of beautiful, tree-covered, grass-covered, and shrub-covered rolling lands. In those areas there is now nothing but uninhabitable sterile ground filled with noxious liquids because of the exposure of some of the coal that has not been removed.

In Ohio I have tried to obtain the passage of adequate laws which would prevent the butchering of the land. I am sure that practically every Senator—and the Vice President—who lives in the northern region of our country, as he flies from Washington homeward, when looking down from an airplane, has witnessed that abominable evil and unpardonable treatment of the land.

The bill proposes that payments be made to owners of that butchered land to enable them to create recreational grounds, and provide land which will subsequently be made available for public use.

Last year I introduced a bill which would provide a study of the evil of strip mining for coal. After I introduced the bill the proponents of the Appalachia program wrote into the Appalachia bill a proposal for a study. To that proposal I have no objection. I have no pride in authorship. Into the Appalachia bill is now written a provision that a study be

made of the evil of strip mining and ways and means by which such devastation might be remedied. According to my recollection the proposed study would be completed by July 1, 1967.

Wise men supporting the Appalachia program have now proposed the spending of money for the rehabilitation of private lands before that study has been completed.

I wish respectfully to say that to propose on the one hand a study which will produce recommendations to remove an evil, and, before that study is completed, to begin spending money for the rehabilitation of private land, requires a very versatile and flexible mind.

Perhaps when that study is completed, a recommendation will be made that no Federal moneys be sent into the various States to rehabilitate strip mined land unless such States adopt laws which are adequately stringent to require the strip miner to replace the land in a condition which would be reasonably related to the topography of the land before the strip mining began.

In my judgment, these two aspects of the Appalachia bill should be given serious consideration. Therefore, before the bill comes up for consideration and a vote, the aspects which I have discussed should be studied and considered by Senators so as to insure that the long-range program will not be burdened with something that I believe is completely unjustified.

#### RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

The VICE PRESIDENT. Without objection, it is so ordered.

(At 12 o'clock and 39 minutes p.m. the Senate took a recess subject to the call of the Chair.)

(At 1 o'clock and 25 minutes p.m. the Senate reconvened, when called to order by the Presiding Officer (Mr. HARRIS in the chair).)

#### WATER POLLUTION CONTROL ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 5, Senate bill 4, and that it be laid down and made the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 4) to amend the Federal Water Pollution Control Act.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, there will be no debate or discussion on the bill this afternoon.

#### ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the









# Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
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## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

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**HIGHLIGHTS:** Both Houses received President's Economic Report. Senate passed water pollution control bill. Senate committee voted to report bill to implement International Coffee Agreement. Sen. Fulbright criticized proposed cuts in agriculture budget and lower price supports. Reps. Bingham and Roosevelt and Sens. Morse and Lausche commended action prohibiting Public Law 480 sales to UAR. Sen. Jordan introduced and discussed bill to provide acreage-poundage controls for tobacco. Sen. Hickenlooper and others introduced and Sen. Hickenlooper discussed bill to adjust wheat and feed grain production and establish cropland retirement program.

### SENATE

1. **ECONOMIC REPORT.** Both Houses received the President's Economic Report (H. Doc. 20) (pp. 1402-7, 1423). The report included the following statement regarding agriculture: "Americans owe much to the efficiency of our farmers. Their



independent spirit and productive genius are the envy of the world. We must continue to assure them the opportunity to earn a fair reward for their efforts. I will transmit to the Congress recommendations for improving the effectiveness of our expenditures on price and income supports."

The President stated that he will propose measures to extend and strengthen the Area Redevelopment Act and urged Congress to enact the special program to assist in redeveloping the Appalachian region. He stated that in "the Kennedy round of trade negotiations now under way at Geneva, we are working intensively for a broad liberalization of world trade in both industrial and agricultural products." He called for improved efficiency and coordination of water resource development programs, an expansion of outdoor recreation facilities, and expansion of the attack on air, water, and soil pollution.

2. WATER POLLUTION. By a vote of 68 to 8, passed with amendments S. 4, to amend the Federal Water Pollution Control Act so as to provide for the establishment of a Federal Water Pollution Control Administration in HEW, to provide grants for research and development in water pollution control, to increase grants for construction of municipal sewage treatment works, and to authorize the establishment of standards of water quality to aid in preventing, controlling, and abating pollution of interstate waters. pp. 1464, 1466-71, 1472, 1474-83, 1487, 1488-1504, 1505-8

By a vote of 75 to 0, agreed to an amendment by Sen. Muskie to provide that adoption of standards and the promulgation of rules and regulations shall be taken in conformity with provisions of the Administrative Procedure Act. pp. 1494-5

By a vote of 50 to 28, agreed to an amendment by Sen. Long, La., to provide that copyrights, patents, and other developments resulting from this program shall be made freely available to the general public. pp. 1495-1503

3. COFFEE. The Finance Committee voted to report (but did not actually report) with amendments S. 701, to carry out U. S. obligations under the International Coffee Agreement. p. D46

4. DISASTER INSURANCE. Passed with amendments S. 408, to authorize the Housing and Home Finance Agency to conduct a study of providing adequate insurance protection for the victims of flood and other natural disasters (pp. 1510, 1511-3). Agreed to an amendment by Sen. Bartlett providing that a report on the study shall be made to the President and the Congress within three years (p. 1512).

5. APPALACHIA. The Public Works Committee reported with amendments (on Jan. 27) S. 3, the Appalachia bill (S. Rept. 13)(p. 1423). Agreed to a unanimous consent agreement providing that a vote on final passage of this bill will be at 3 p. m., Mon., Feb. 1 (p. 1508). Sen. Hruska submitted an amendment intended to be proposed to the bill to strike out Sec. 203 providing authority to the Secretary of Agriculture to make grants to landowners to assist in land development and erosion control (pp. 1446-8). Sen. McClellan submitted an amendment intended to be proposed to the bill to include the Ozark region under the provisions of the bill (p. 1447). Sens. Lausche and Long, La., submitted amendments intended to be proposed to the bill (pp. 1446-7).

6. FARM PROGRAM. Sen. Fulbright criticized proposed cuts in the budget for agricultural programs, and the lowering of price supports for cotton and rice, and inserted an editorial in support of his position. pp. 1485-6

7. PUBLIC LAW 480. Sens. Morse and Lausche expressed support of the House amendment to the USDA supplemental appropriation bill prohibiting sales of agricultural



# S. 3

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## IN THE SENATE OF THE UNITED STATES

JANUARY 28, 1965

Ordered to lie on the table and to be printed

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# AMENDMENTS

Intended to be proposed by Mr. LAUSCHE to S. 3, a bill to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region, viz:

1       On page 25, line 3, beginning with the word "Projects",  
2       strike out all through the word "with." on line 16.

3       On page 28, line 12, following the words "this section.",  
4       insert "No moneys authorized by this Act shall be expended  
5       for the purposes of reclaiming, improving, grading, seeding,  
6       or reforestation of strip-mined areas until authorized by law  
7       after completion of the study and report to the President as  
8       provided in subsection (c) of this section."

**Amdt. No. 7**

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## **AMENDMENTS**

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Intended to be proposed by Mr. LAUSCHE to S. 3, a bill to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region.

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JANUARY 28, 1965

Ordered to lie on the table and to be printed



## Calendar No. 7

# S. 3

IN THE SENATE OF THE UNITED STATES

JANUARY 28, 1965

Ordered to lie on the table and to be printed

# AMENDMENTS

Intended to be proposed by Mr. McCLELLAN (for himself, Mr. FULBRIGHT, and Mr. HARRIS) to S. 3, a bill to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region, viz:

1        On page 1 strike out lines 3 and 4 and insert in lieu  
2   thereof the following:

3           “CHAPTER 1—APPALACHIAN REGIONAL  
4                           DEVELOPMENT

5 “SHORT TITLE

6       “SECTION 1. This chapter may be cited as the ‘Appa-  
7   lachian Regional Development Act of 1965’, and all refer-  
8   ences in this chapter to the words ‘this Act’ shall be held to  
9   refer to ‘this chapter.’”

### Amdt. No. 8

1       At the end of the bill add the following new chapter:

2       “CHAPTER 2—OZARK REGIONAL DEVELOPMENT

3       “TITLE V—SHORT TITLE AND STATEMENT OF PURPOSE

4                               “SHORT TITLE

5       “SEC. 501. This chapter may be cited as the ‘Ozark  
6       Regional Development Act of 1965’.

7                               “FINDINGS AND STATEMENT OF PURPOSE

8       “SEC. 502. As a result of changes in the nature of its  
9       resource base and changing requirements of the national  
10      economy, the Ozark region of the United States lags behind  
11      the Nation in its economic growth, and its people have not  
12      shared properly in the Nation’s prosperity. The region’s  
13      historical reliance on a few basic industries and marginal  
14      agriculture have failed to provide the economic base neces-  
15      sary for self-sustaining growth. In some cases the uneven  
16      distribution of productive Federal expenditures has left the  
17      region at a comparative disadvantage. Nonetheless, the  
18      State and local governments and the people of the region un-  
19      derstand their problems and have been and are prepared to  
20      work purposefully toward their solution. It is the purpose  
21      of this chapter to assist the region in meeting its special  
22      problems and promoting its economic development by help-  
23      ing to develop policies and programs for Federal, State, and  
24      local efforts essential to growth on a coordinated and con-  
25      certed basis.



1     “TITLE VI—THE OZARK DEVELOPMENT COMMISSION

2                     “MEMBERSHIP AND VOTING

3     “SEC. 601. (a) The Ozark Development Commission  
4     (referred to as the ‘Commission’) shall be composed of seven  
5     members, appointed by the President by and with the advice  
6     and consent of the Senate, as follows: Three members ap-  
7     pointed, one from each participating State, from among one  
8     or more nominees by the Governor of such State; three  
9     members appointed, one from each participating State; and  
10    one member appointed at the discretion of the President  
11    who shall serve as Chairman and full-time executive officer  
12    of the Commission.

13    “(b) Decisions by the Commission, unless delegated to  
14    the Chairman, shall require the affirmative vote of the Chair-  
15    man and three other members.

16    “(c) The Chairman shall be compensated at the rate  
17    prescribed for level IV of the Federal Executive Salary  
18    Schedule established by the Federal Executive Salary Act of  
19    1964. There shall be a Deputy Chairman appointed by the  
20    Chairman with the approval of the Commission, who shall  
21    serve as his alternate and who shall be compensated at the  
22    rate prescribed for grade 18 of the General Schedule of the  
23    Classification Act of 1949, and when not serving as an alter-  
24    nate for the Chairman shall perform such duties as are dele-  
25    gated to him by the Chairman. Other members of the Com-

1 mission shall receive compensation at a rate of \$75 per diem  
2 for each day on which they are engaged in the performance  
3 of duties of the Commission, and shall be reimbursed by the  
4 Commission for travel, subsistence, and other necessary ex-  
5 penses incurred by them in the performance of such duties.

6 "FUNCTIONS OF THE COMMISSION

7 "SEC. 602. In carrying out the purposes of this chapter  
8 the Commission shall—

9 "(1) develop, on a continuing basis, comprehen-  
10 sive and coordinated plans and programs, including those  
11 for land use and public works, and establish priorities  
12 thereunder, giving due consideration to other Federal,  
13 State, and local planning in the region;

14 "(2) conduct and sponsor investigations, research,  
15 and studies, including where necessary, inventory and  
16 analysis of the resources of the region and, in coopera-  
17 tion with Federal, State, and local agencies, sponsor  
18 demonstration projects designed to foster regional  
19 productivity and growth;

20 "(3) prepare detailed plans, in cooperation with the  
21 Secretary of Commerce, for scenic highways in the  
22 region to include planning for the development of recre-  
23 ational sites in such region;

24 "(4) make grants for graduate fellowships to en-



1 courage students in the areas of community and resource  
2 development and planning and such other areas of study  
3 as the Commission deems will carry out the purposes of  
4 this chapter;

5 “(5) review and study, in cooperation with the  
6 agency involved, Federal, State, and local public and  
7 private programs and, where appropriate, recommend  
8 modifications or additions which will increase their effec-  
9 tiveness in the region and assist in their financing;

10 “(6) formulate and recommend, where appropriate,  
11 interstate compacts and other forms of interstate co-  
12 operation, and work with State and local agencies in  
13 developing appropriate model legislation;

14 “(7) support existing local development districts  
15 and encourage their formation where needed and make  
16 grants for professional and technical assistance to such  
17 local development districts as are certified by the  
18 Commission;

19 “(8) encourage private investment in industrial,  
20 commercial, and recreational projects;

21 “(9) serve as a focal point and coordinating unit  
22 for Federal, State, and local programs in the region;

23 “(10) provide a forum for consideration of prob-

1 lems of the region and proposed solutions and establish  
2 and utilize, as appropriate, citizens and special advisory  
3 councils and public conferences;

4 “(11) designate such other counties in the States  
5 of Arkansas, Missouri, and Oklahoma as part of the  
6 Ozark region for the purposes of this chapter as the  
7 Commission determines necessary to carry out the pur-  
8 poses of this chapter; and

9 “(12) recommend to the President for transmittal  
10 to the Congress a program of development projects with  
11 proposals for Federal participation in their funding as  
12 the Commission deems warranted by the studies begun  
13 under this chapter.

14 “ADMINISTRATIVE POWERS OF THE COMMISSION

15 “SEC. 603. To carry out its duties under this chapter,  
16 the Commission is authorized to—

17 “(1) adopt, amend, and repeal bylaws, rules, and  
18 regulations governing the conduct of its business and the  
19 performance of its functions;

20 “(2) appoint and fix the compensation of such  
21 personnel as may be necessary to enable the Authority  
22 to carry out its functions, in accordance with the civil  
23 service laws of the Classification Act of 1949;

24 “(3) request the head of any Federal department  
25 or agency (who is hereby so authorized) to detail to



1 temporary duty with the Commission such personnel  
2 within his administrative jurisdiction as the Commission  
3 may need for carrying out its functions, each such detail  
4 to be without loss of seniority, pay, or other employee  
5 status;

6 “(4) arrange for the services of personnel from any  
7 State or local government or any subdivision or agency  
8 thereof, or any intergovernmental agency;

9 “(5) accept, use, and dispose of gifts or donations  
10 of services or property, real, personal, or mixed, tangible  
11 or intangible;

12 “(6) enter into and perform such contracts, leases,  
13 cooperative agreements, or other transactions as may be  
14 necessary in carrying out its functions and on such terms  
15 as it may deem appropriate, with any department,  
16 agency, or instrumentality of the United States or with  
17 any State, or any political subdivision, agency, or instru-  
18 mentality thereof, or with any person, firm, association,  
19 or corporation;

20 “(7) establish a permanent office at such location  
21 as it may select and field offices at such other places as  
22 it may deemed appropriate; and

23 “(8) take such other actions and incur such other  
24 expenses as may be necessary or appropriate.

## 1                   “TITLE VII—MISCELLANEOUS

## 2                   “AUTHORIZATION OF APPROPRIATIONS

3           “SEC. 701. There is hereby authorized to be appro-  
4   priated for the period ending June 30, 1966, not to exceed  
5   \$7,500,000 to carry out this chapter, and for fiscal years  
6   thereafter such amounts as the Congress shall hereafter  
7   authorize.

## 8           “LOCAL DEVELOPMENT DISTRICTS: CERTIFICATION

9           “SEC. 702. For the purpose of this chapter, a ‘local de-  
10   velopment district’ shall be an entity certified to the Commis-  
11   sion either by the Governor of the State or States in which  
12   such entity is located, or by the State officer designated by  
13   the appropriate State law to make such certification, as  
14   having a charter or authority that includes the economic de-  
15   velopment of counties or parts of counties or other political  
16   subdivisions within the region. No entity shall be certified  
17   as a local development district for the purposes of this chap-  
18   ter unless it is one of the following:

19           “(1) A nonprofit incorporated body organized or  
20   chartered under the law of the State in which it is  
21   located;

22           “(2) A nonprofit agency or instrumentality of a  
23   State or local government;

24           “(3) A nonprofit agency or instrumentality created  
25   through an interstate compact; or



“(4) A nonprofit association or combination of such bodies, agencies, and instrumentalities.

#### “ANNUAL REPORT

“SEC. 703. Not later than six months after the close of each fiscal year, the Commission shall prepare and submit to the Governor of each State in the region and to the President, for transmittal to the Congress, a report on the activities carried out under this chapter during such year.

#### “CONSENT OF STATES

“SEC. 704. Nothing contained in this chapter shall be interpreted as requiring any State to engage in or accept any program under this chapter without its consent.

#### “DEFINITION OF OZARK REGION

“SEC. 705. As used in this chapter, the term ‘Ozark region’ or ‘the region’ means that area of the United States consisting of the following counties (including any political subdivision located within such area) :

“In Arkansas—Benton, Crawford, Madison, Johnson, Boone, Searcy, Polk, Stone, Baxter, Sharp, Randolph, Washington, Franklin, Carroll, Newton, Marion, Van Buren, Cleburne, Izard, Fulton, Independence;

“In Missouri—Cooper, Cedar, Newton, Stone, Greene, Camden, Cole, Benton, Dade, McDonald, Taney, Polk, Morgan, Miller, Hickory, Lawrence, Barry, Christian, Dallas, Moniteau, Osage, Maries, Laclede,

1 Douglas, Carter, Phelps, Webster, Ozark, Ripley, Shan-  
2 non, Pulaski, Wright, Howell, Butler, Wayne;

3 “In Oklahoma—Bryan, Delaware, Adair, Chero-  
4 kee, Sequoyah, Haskell, Latimer, Le Flore, Pushmataha,  
5 McCurtain, Choctaw, Atoka, Coal, Hughes, Johnston,  
6 Love, McIntosh, Okfuskee, Muskogee;

7 “Such other counties in such States as are designated  
8 by the Commission under section 602.”

Amend the title so as to read: “A bill to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region and to provide the planning and coordination needed to assist the economic development of the Ozark region.”





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# AMENDMENTS

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Intended to be proposed by Mr. McClellan  
(for himself, Mr. Fulbright, and Mr.  
Harris) to S. 3, a bill to provide public  
works and economic development programs  
and the planning and coordination needed  
to assist in the development of the Appa-  
lachian region.

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JANUARY 28, 1965

Ordered to lie on the table and to be printed



# S. 3

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IN THE SENATE OF THE UNITED STATES

JANUARY 28, 1965

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. McCLELLAN (for himself and Mr. FULBRIGHT) to the amendment intended to be proposed by Mr. NELSON to S. 3, a bill to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region, viz: On page 4, after line 23, insert the following new subsection:

- 1       (e) Notwithstanding the provisions of subsection (a) of  
2 this section, the Administrator shall designate that portion  
3 of the States of Arkansas, Missouri, and Oklahoma as is  
4 commonly known as the Ozark region, as a region for the  
5 purposes of this Act.

**Amdt. No. 9**

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## **AMENDMENT**

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Intended to be proposed by Mr. McCLELLAN  
(for himself and Mr. FULBRIGHT) to the  
amendment intended to be proposed by Mr.  
NELSON to S. 3, a bill to provide public works  
and economic development programs and  
the planning and coordination needed to  
assist in the development of the Appalachian  
region.

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JANUARY 28, 1965

Ordered to lie on the table and to be printed



89TH CONGRESS  
1ST SESSION

Calendar No. 7

# S. 3

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IN THE SENATE OF THE UNITED STATES

JANUARY 28, 1965

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. LONG of Louisiana to S. 3, a bill to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region, viz: On page 36, between lines 2 and 3, insert the following new subsection:

- 1       (c) No part of any appropriated funds may be expended  
2 pursuant to authorization given by this Act involving any  
3 scientific or technological research or development activity  
4 unless such expenditure is conditioned upon provisions effective to insure that all information, copyrights, uses, processes,  
5 patents, and other developments resulting from that activity  
6 will be made freely available to the general public. Nothing  
7 contained in this subsection shall deprive the owner of any  
8

1 background patent relating to any such activity, without his  
2 consent, of any right which that owner may have under that  
3 patent. Whenever any information, copyright, use, process,  
4 patent or development resulting from any such research or  
5 development activity conducted in whole or in part with ap-  
6 propriated funds expended under authorization of this Act is  
7 withheld or disposed of by any person, organization, or  
8 agency in contravention of the provisions of this subsection,  
9 the Attorney General shall institute, upon his own motion or  
10 upon request made by any person having knowledge of perti-  
11 nent facts, an action for the enforcement of the provisions of  
12 this subsection in the district court of the United States for  
13 any judicial district in which any defendant resides, is found,  
14 or has a place of business. Such court shall have jurisdiction  
15 to hear and determine such action, and to enter therein such  
16 orders and decrees as it shall determine to be required to  
17 carry into effect fully the provisions of this subsection.  
18 Process of the district court for any judicial district in any  
19 action instituted under this subsection may be served in any  
20 other judicial district of the United States by the United  
21 States marshal thereof. Whenever it appears to the court in  
22 which any such action is pending that other parties should  
23 be brought before the court in such action, the court may  
24 cause such other parties to be summoned from any judicial  
25 district of the United States.





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## **AMENDMENT**

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Intended to be proposed by Mr. Long of Louisiana to S. 3, a bill to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region.

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**JANUARY 28, 1965**

**Ordered to lie on the table and to be printed**



# S. 3

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## IN THE SENATE OF THE UNITED STATES

JANUARY 28, 1965

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. HRUSKA (for himself, Mr. CURTIS, Mr. DOMINICK, Mr. MUNDT, Mr. TOWER, Mr. BENNETT, Mr. SIMPSON, Mr. MILLER, and Mr. LAUSCHE) to S. 3, a bill to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region, viz:

- 1       Beginning with line 14 on page 18 strike out through
- 2 line 12 on page 21.
- 3       Renumber the succeeding sections accordingly.

**Amdt. No. 11**

89TH CONGRESS  
1ST SESSION

**S. 3**

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**AMENDMENT**

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Intended to be proposed by Mr. HRUSKA (for himself, Mr. CURTIS, Mr. DOMINICK, Mr. MUNDT, Mr. TOWER, Mr. BENNETT, Mr. SIMPSON, Mr. MILLER, and Mr. LAUSCHE) to S. 3, a bill to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

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JANUARY 28, 1965

Ordered to lie on the table and to be printed



# Senate

THURSDAY, JANUARY 28, 1965

The Senate met at 11 o'clock a.m., and was called to order by the Presiding Officer (Mr. INOUE).

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, all the ways of our need lead to Thee. Our futile attempts by ourselves to solve life's problems but tell us that all is vanity. Our deepest cravings but drive us to Thy everlasting arms.

May the spiritual verities by which we really live assert their sovereignty and ascendance over our hearts and minds, as with unbroken vigil we keep the perpetual light of faith burning over the inner shrine of the soul.

Endue with the spirit of wisdom those who have been trusted with responsibility and authority in these troublous times. For the preservation of liberty, for the defeat of all tyranny, for the redemption of democracy from its failures, for the establishment of a just and lasting peace in all the earth, we lift our hearts to Thee, O God of our salvation.

In the dear Redeemer's name, we ask it. Amen.

## DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, D.C., January 28, 1965.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. DANIEL K. INOUE, a Senator from the State of Hawaii, to perform the duties of the Chair during my absence.

CARL HAYDEN,  
President pro tempore.

Mr. INOUE thereupon took the chair as Acting President pro tempore.

## THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, January 27, 1965, was dispensed with.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Ratchford, one of his secretaries.

## ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 20)

The ACTING PRESIDENT pro tempore laid before the Senate the Economic Report of the President, together with the annual report of the Council of Eco-

nomic Advisers, which was referred to the Joint Economic Committee.

## REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of Tuesday, January 26, 1965, the following report of a committee was submitted on January 27, 1965:

By Mr. RANDOLPH, from the Committee on Public Works, with amendments:

S. 3. A bill to provide public works and economic development programs, and the planning and coordination needed to assist in development of the Appalachian region; (Rept. No. 13).

## LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in connection with the morning hour be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

### COOPERATION OF SECRETARY OF AGRICULTURE WITH STATES AND PUBLIC AGENCIES IN USE OF CERTAIN LAND

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to authorize the Secretary of Agriculture to cooperate with States and other public agencies in planning for changes in the use of agricultural land in rapidly expanding urban areas and in other nonagricultural use areas, and for other purposes (with an accompanying paper); to the Committee on Agriculture and Forestry.

### DISPOSAL OF CERTAIN MATERIALS FROM SUPPLEMENTAL STOCKPILE

A letter from the Acting Administrator, General Services Administration, Washington, D.C., transmitting a draft of proposed legislation to authorize the disposal of chromium metal, acid grade fluorspar, and silicon carbide from the supplemental stockpile (with an accompanying paper); to the Committee on Armed Services.

### ELIMINATION OF REQUIREMENT THAT FEDERAL RESERVE BANKS MAINTAIN CERTAIN RESERVES IN GOLD CERTIFICATES AGAINST DEPOSIT LIABILITIES

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to eliminate the requirement that Federal Reserve banks maintain certain reserves in gold certificates against deposit liabilities (with accompanying papers); to the Committee on Banking and Currency.

### REPORT OF GOVERNMENT OF THE DISTRICT OF COLUMBIA

A letter from the President and members of the Board of Commissioners of the District of Columbia, Washington, D.C., transmitting, pursuant to law, a report of that govern-

ment, for the fiscal year 1964 (with an accompanying report); to the Committee on the District of Columbia.

### REPORT ON INADEQUATE DETERMINATION OF INDIRECT COST ALLOWANCES UNDER CERTAIN RESEARCH PROJECT GRANTS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on inadequate determination of indirect cost allowances under certain research project grants awarded and administered by the Public Health Service, Department of Health, Education, and Welfare, dated January 1965 (with an accompanying report); to the Committee on Government Operations.

### REPORT ON SALES AND TRANSFERS OF FOREIGN EXCESS PROPERTY

A letter from the Acting Deputy Administrator of Veterans' Affairs, Washington, D.C., transmitting, pursuant to law, a report on the sales and transfers of foreign excess property, for the calendar year 1964 (with an accompanying report); to the Committee on Government Operations.

### REPORT ON DISPOSAL OF CERTAIN TRACKING EQUIPMENT

A letter from the Deputy Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, of certain tracking equipment at Esselen Park, Johannesburg, South Africa; to the Committee on Government Operations.

### PROPOSED CONCESSION CONTRACT AT OAK BOTTOM SITE IN THE WHISKEYTOWN RESERVOIR AREA, CALIFORNIA

A letter from the Under Secretary of the Interior, transmitting, pursuant to law, a proposed concession contract at the Oak Bottom site in the Whiskeytown Reservoir Area, California (with accompanying papers); to the Committee on Interior and Insular Affairs.

### REPORT ON POSITIONS IN GRADES GS-16, GS-17, AND GS-18

A letter from the Director, Administrative Office of the United States Courts, Washington, D.C., transmitting, pursuant to law, a report on positions in grades GS-16, GS-17, and GS-18, for the year 1964 (with an accompanying report); to the Committee on Post Office and Civil Service.

## BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBERTSON (by request):

S. 797. A bill to eliminate the requirement that Federal Reserve banks maintain certain reserves in gold certificates against deposit liabilities; to the Committee on Banking and Currency.

(See the remarks of Mr. ROBERTSON when he introduced the above bill, which appear under a separate heading.)

By Mr. TALMADGE:

S. 798. A bill to establish qualifications for persons appointed to the Supreme Court; to the Committee on the Judiciary.

By Mr. MONDALE:

S. 799. A bill for the relief of Mrs. Manougchag Partoghian; to the Committee on the Judiciary.



(See the remarks of Mr. MONDALE when he introduced the above bill, which appear under a separate heading.)

By Mr. RUSSELL (for himself and Mr. SALTONSTALL) (by request):

S. 800. A bill to authorize appropriations during fiscal year 1966 for procurement of aircraft, missiles, and naval vessels, and research, development, test, and evaluation, for the Armed Forces, and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. RUSSELL when he introduced the above bill, which appear under a separate heading.)

By Mr. BOGGS (for himself and Mr. DOMINICK):

S. 801. A bill to improve the balance-of-payments position of the United States by permitting the use of reserved foreign currencies in lieu of dollars for current expenditures; to the Committee on Banking and Currency.

By Mr. DOMINICK:

S. 802. A bill for the relief of Jillian Vera Griffiths Hussey;

S. 803. A bill for the relief of Ching Zai Yen and his wife, Faung Hwa Yen; and

S. 804. A bill for the relief of Wie Lie Bong and Jenny Kim-Yang (nee Lie) Bong; to the Committee on the Judiciary.

By Mr. FULBRIGHT (by request):

S. 805. A bill to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank; to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. YOUNG of North Dakota:

S. 806. A bill to promote the utilization of Indian-owned resources by Indians of the three affiliated tribes of the Fort Berthold Reservation; to the Committee on Interior and Insular Affairs.

By Mr. LAUSCHE:

S. 807. A bill for the relief of Lubomira Chodakiewicz (Luba Hodakiewicz); and

S. 808. A bill for the relief of Evangelia Georges Tsounos; to the Committee on the Judiciary.

By Mr. MILLER (for himself and Mr. HICKENLOOPER):

S. 809. A bill to revive and reenact as amend the act entitled "An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.," approved December 21, 1944; to the Committee on Public Works.

S. 810. A bill authorizing the establishment of the Herbert Hoover National Monument in the State of Iowa; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MILLER when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. McNAMARA (for himself, Mr. BAYH, Mr. CLARK, Mr. DOUGLAS, Mr. GORE, Mr. GRUENING, Mr. HART, Mr. HARTKE, Mr. LONG of Missouri, Mr. MCGOVERN, Mr. MORSE, Mr. MOSS, Mrs. NEUBERGER, Mr. PASTORE, Mr. PELL, Mr. RANDOLPH, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, and Mr. YOUNG of Ohio):

S. 811. A bill to provide assistance in the development of new or improved programs to help older persons through grants to the States for community planning and services and for training, through research, development, or training project grants, and to establish within the Department of Health, Education, and Welfare an operating agency to be designated as the "Administration on Aging"; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. McNAMARA when he introduced the above bill, which appear under a separate heading.)

By Mr. McNAMARA (for himself, Mr. RANDOLPH, Mr. YOUNG of Ohio, Mr. MUSKIE, Mr. MOSS, Mr. METCALF, Mr. INOUE, Mr. BAYH, Mr. MONTGOMERY, Mr. HARRIS, Mr. KENNEDY of Massachusetts, Mr. KENNEDY of New York, and Mr. McINTYRE):

S. 812. A bill to provide for the use of public works and other economic programs in a coordinated effort to aid economically disadvantaged areas of the Nation; to the Committee on Public Works.

(See the remarks of Mr. McNAMARA when he introduced the above bill, which appear under a separate heading.)

By Mr. DOMINICK:

S. 813. A bill to direct the Secretary of the Treasury to establish a reserve of at least 500 million ounces of silver for national defense purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. DOMINICK when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS:

S. 814. A bill to require Federal Reserve banks to maintain reserves in gold certificates of not less than 10 percent against its deposits and not less than 15 percent against its notes in circulation, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. FONG:

S. 815. A bill to repeal the excise tax on amounts paid for refreshment, service, and merchandise at roofgardens, cabarets, and similar places; to the Committee on Finance.

By Mr. BENNETT:

S. 816. A bill for the relief of certain individuals employed by a contractor of the Forest Service who were not paid for their services; to the Committee on the Judiciary.

S. 817. A bill to authorize a Little Dell project in the State of Utah for flood control, water supply, and recreational purposes; to the Committee on Public Works.

(See the remarks of Mr. BENNETT when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. CASE:

S. 818. A bill for the relief of Joao Andre Serros; to the Committee on the Judiciary.

S. 819. A bill to amend title II of the Social Security Act so as to permit child's insurance benefits to continue after age 18 in the case of certain children who are full-time students after attaining such age, and to increase the annual amount individuals are permitted to earn without suffering deductions from the insurance benefits to which they are entitled thereunder; to the Committee on Finance.

By Mr. TOWER:

S. 820. A bill to amend titles I and XVI of the Social Security Act to liberalize the Federal-State programs of health care for the aged by authorizing any State to provide medical assistance for the aged to individuals eligible therefor (and assist in providing health care for other aged individuals) under voluntary private health insurance plans, and to amend the Internal Revenue Code of 1954 to provide tax incentives to encourage prepayment health insurance for the aged; to the Committee on Finance.

(See the remarks of Mr. TOWER when he introduced the above bill, which appear under a separate heading.)

By Mr. JORDAN of North Carolina (for himself and Mr. ERVIN):

S. 821. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. JORDAN of North Carolina when he introduced the above bill which appear under a separate heading.)

By Mr. MCGEE:

S. 822. A bill to authorize the Secretary of the Interior to convey certain public land in Wyoming to Clara Dozier Wipe; to the Committee on Interior and Insular Affairs.

By Mr. PROXMIRE:

S. 823. A bill for the relief of Luigi Filippo LoCicero, Michael Anthony LoCicero, and Domenic Louis LoCicero;

S. 824. A bill for the relief of Mayranl Tozan and Araks Tozan;

S. 825. A bill for the relief of Daroslava Martinovich Bulatovich;

S. 826. A bill for the relief of Har Gobind Khorana;

S. 827. A bill for the relief of Kam Yuet Moy; and

S. 828. A bill for the relief of Cha Mi Hi; to the Committee on the Judiciary.

By Mr. DODD:

S. 829. A bill for the relief of Enrico Agostini and Celestino Agostini;

S. 830. A bill for the relief of Haralambos Atoynatan and Agatoniki Atoynatan; and

S. 831. A bill for the relief of Francis Zervav; to the Committee on the Judiciary.

By Mr. MCGEE:

S. 832. A bill for the relief of Jung Soon Choi; to the Committee on the Judiciary.

By Mr. MCCARTHY:

S. 833. A bill for the relief of Frank J. Kreysa; to the Committee on the Judiciary.

By Mr. HARTKE:

S. 834. A bill for the relief of Julianna Rado; to the Committee on the Judiciary.

By Mr. ELLENDER:

S. 835. A bill for the relief of Ante Cibilic; to the Committee on the Judiciary.

By Mr. SCOTT (for himself and Mr. DODD):

S. 836. A bill to amend the Wool Products Labeling Act of 1939 to authorize the Federal Trade Commission to exclude from the provisions of that act wool products with respect to which the disclosure of wool fiber content is not necessary for the protection of the consumer; to the Committee on Commerce.

By Mr. KENNEDY of Massachusetts:

S. 837. A bill for the relief of Elena Savino Coviello;

S. 838. A bill for the relief of Ibrahim Zeytinoglu, Zeynep Zeytinoglu, and Fusun Zeytinoglu;

S. 839. A bill for the relief of Araxie Puzant Tekeyan;

S. 840. A bill for the relief of Christos Stratis;

S. 841. A bill for the relief of Maria-Aruncion Pernas Fanego;

S. 842. A bill for the relief of Maria Pimentel De Sousa;

S. 843. A bill for the relief of Dr. Shiro Shimosato;

S. 844. A bill for the relief of Dr. Francisco B. deCarvalho;

S. 845. A bill for the relief of Luis Aguilar Duarte;

S. 846. A bill for the relief of Joal Claudio Pavao;

S. 847. A bill for the relief of Patrick K. Yen and family;

S. 848. A bill for the relief of Lillian Chu Sung;

S. 849. A bill for the relief of Arminda Padua Viseu;

S. 850. A bill for the relief of Samuel L. McCoy;

S. 851. A bill for the relief of M. Sgt. Bernard L. LaMountain, U.S. Air Force (retired);

S. 852. A bill for the relief of Susan A. Tikiryan; and

S. 853. A bill for the relief of Charles N. Legarde and his wife, Beatrice E. Legarde; to the Committee on the Judiciary.

By Mr. HART:

S. 854. A bill for the relief of Bogoljub Voukovitch; to the Committee on the Judiciary.



have assurance from the municipal officials of these communities that they will attempt to meet our target date of July 1, 1966, at which time all wastes will be treated.

At the same time we have enjoyed a pleasant relationship with industry in the treatment of their wastes to such degree that no major source of industrial waste is now being discharged without treatment.

We are, therefore, fearful of any changes to the Federal Water Pollution Control Act that will change the program that is so well known to Nebraska citizens, and that is progressing in a satisfactory manner.

We are especially concerned over the creation of a Federal Water Pollution Control Administration which will administer comprehensive programs, interstate cooperation and uniform laws, enforcement measures, and pollution from Federal installations. We realize that these are all important sections of the Water Pollution Control Act, but we are of the opinion that the progress that we have made in the last several years is justification for maintaining the current program, and that any changes will, of course, create new methods of administration, a loss of communication between the various municipalities, industries, and State and Federal regulatory agencies, and even set up different means of procedures, all of which will tend to delay the ultimate goal of stream pollution abatement.

The Nebraska Water Pollution Control Council has adopted water quality standards, a copy of which is enclosed. These standards are being used continuously, are accepted, and, again, we are fearful that if Federal water quality standards are set up which might be inconsistent with our State standards, a delay during debate and explanation will ensue.

The Nebraska State Board of Health, at its January 18 meeting, considered the new water pollution bill and is of the opinion that the operations of Public Law 660, with its amendments, has been a great benefit to Nebraska citizens in the various details of administration, especially the Federal grants to municipalities.

The board is unanimously opposed to the creation of a new Federal Water Pollution Control Administration, and the preparation and adoption of regulations on standards of water quality, interstate streams, or portions thereof.

Yours truly,

E. A. ROGERS, M.D., M.P.H.,  
Director of Health,  
Secretary to the Board.

Mr. ROBERTSON. Mr. President, no Member of this body is more interested in clear water, either from the standpoint of health or recreation, than is the Senator from Virginia. No one has been more active in that field. Over 40 years ago I organized an anti-water-pollution commission to try to clean up the streams in the State, but I think this effort should be controlled by the States. I supported the Ohio Valley Compact, but that was under our control. I have supported research. I would gladly vote for the bill if it provided for research and for advice of Federal officials, but I would not want them to be able to put a small town out of "business" because it had a papermill located there or because they were not satisfied with what they were doing. If we had adopted the Tower amendment, Federal officials could give research and advice, but the final action would be for the States, and I would have voted for the bill. But I am not voting to put Virginia under direct Federal control.

Mr. DODD. Mr. President, I am delighted by the speed with which the Senate Public Works Committee has acted in reporting S. 4, the water pollution control bill.

The Senate passed essentially this same measure in 1963 by a vote of 69 to 11, but the bill died in the House when Congress adjourned last October.

Since water pollution is of increasing rather than diminishing national concern, I hope that we will now see prompt action by both Houses in rising to meet this problem head on.

No nation has ever risen to prominence, ever built a complex agricultural and industrial economy, or ever adequately fed its people without a plentiful supply of water. Indeed, wars have even been fought over this most precious of our natural resources.

Our country has been generously endowed with great rivers, lakes, streams, harbors, and a plentiful rainfall. Yet today we are faced with a serious crisis in regard to our water supply.

The problem itself is essentially a simple one: while our water supply remains basically constant, our needs and demands are increasing very rapidly year by year. It is estimated that in the near future our daily industrial, domestic, and other needs will exceed the greatest amount of water we can ever hope to make available through modern engineering and technology. This necessarily means that we must be able to use each gallon of water more than once. The present efforts to develop an effective and efficient means of desalinating sea water also point to the fact that in the future we must be able to turn to an additional source of supply.

While this constructive work is underway, the supply of water on which we now rely has become subject to many varied and serious forms of pollution. Municipal and industrial organic wastes, pesticides and toxic chemicals, infectious agents, sediments, and radioactive pollution are being discharged into our waterways. These contaminants reduce the quality of our water, making it often unsuitable for reuse, and create a nuisance and a menace to health.

We now recognize water pollution as a serious national problem and have instituted programs of prevention and control. The 1956 Water Pollution Control Act and the 1961 amendments have given important impetus to action by all levels of government, and to cooperation between communities, States, and the Federal Government to combat pollution.

Nonetheless, in looking at our waterways across the country, it is evident that our efforts have not kept pace with the growing pollution problem.

One does not have to venture far here in Washington to find visible evidence of this. The beautiful Potomac River, winding through some of the most scenic countryside in the Nation, presents one of our most shameful and serious examples of this problem.

My own State of Connecticut has scenic lakes and rivers which are an integral and necessary part of our industrial complex. But here too we are

plagued by pollution problems, even though programs of prevention and control have been established and in operation for some time.

Many people write to me about this, and I often see similar pleas in letters to the editors of our many newspapers—"Please do something to help clean up our rivers and streams and stop this shameful waste."

Pollution affects industry, urban and rural residential areas, sports and recreation areas, and the health and beauty of the Nation. It is imperative that greater steps be taken to expand the existing pollution control program and to prevent further contamination.

There are these three main aspects of pollution control which must be given serious nationwide attention. We need, first, more funds for the construction of new waste treatment facilities and the modernization of old systems; second, more intensive research into the effective treatment of new contaminants, those undesirable byproducts of our continuing technical progress; and, third, more effective administration and application of enforcement programs to control pollution.

This bill now before us would create a Federal Water Pollution Control Administration in the Department of Health, Education, and Welfare, thus providing a broader base and a national scope to the pollution control program.

It would increase the Federal grants for research and development of new sewage treatment facilities, and increase the construction grants to individuals and municipal areas. These additional funds would provide the necessary stimulus for more intensive efforts by businesses, individuals, and State and local governments in coping with the problem.

The bill would also provide procedures for establishing quality standards for interstate waters, and would authorize certain abatement action when the shellfish industry suffers economic injury due to water pollution.

The water pollution problem, in the last analysis, must be dealt with locally. But it is evident that the seriousness of the situation and the size and expense of the project ahead demand national attention. The Federal Government must expand its efforts, must bear a greater portion of the costs than before, and must be in a position to coordinate all of the work and research in this area.

This bill before us today is one of the most important and far reaching water pollution proposals ever considered by Congress.

I hope and expect that it will receive overwhelming approval by the Senate, and that through greater authority for the Federal Government to set and enforce standards, through increased grants and assistance, and through continued and improved local, State and Federal cooperation we will be able to combat more successfully water pollution and assure this country an ample supply of clean water for the future.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass? The yeas and



nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HICKENLOOPER (after having voted in the negative). Mr. President, on this vote I have a pair with the distinguished Senator from Massachusetts [Mr. KENNEDY]. If he were present and voting he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Arizona [Mr. HAYDEN], the Senator from Montana [Mr. METCALF], the Senator from Florida [Mr. SMATHERS], the Senator from Georgia [Mr. TALMADGE], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from Washington [Mr. MAGNUSON], and the Senator from South Dakota [Mr. MCGOVERN], are absent because of illness.

I further announce that Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from New York [Mr. KENNEDY], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], and the Senator from Connecticut [Mr. RIBICOFF], are necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Washington [Mr. MAGNUSON], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Montana [Mr. METCALF], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Georgia [Mr. TALMADGE] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Kansas [Mr. CARLSON], the Senator from Idaho [Mr. JORDAN], and the Senator from Vermont [Mr. PROUTY] are necessarily absent.

The Senator from Kansas [Mr. PEARSON] and the Senator from South Carolina [Mr. THURMOND] are absent on official business.

The Senator from Delaware [Mr. WILLIAMS] is detained on official business. If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from Kansas [Mr. CARLSON], the Senator from Idaho [Mr. JORDAN], the Senator from Kansas [Mr. PEARSON], the Senator from Vermont [Mr. PROUTY], the Senator from South Carolina [Mr. THURMOND], and the Senator from Delaware [Mr. WILLIAMS] would each vote "yea."

The result was announced—yeas 68, nays 8, as follows:

[No. 9 Leg.]  
YEAS—68

Aiken	Gore	Montoya
Anderson	Harris	Morse
Bartlett	Hart	Morton
Bass	Hartke	Mundt
Bayh	Hill	Murphy
Bible	Holland	Muskie
Boggs	Inouye	Nelson
Brewster	Jackson	Neuberger
Burdick	Javits	Pastore
Byrd, W. Va.	Jordan, N.C.	Pell
Cannon	Kennedy, N.Y.	Proxmire
Case	Kuchel	Randolph
Church	Lausche	Saltonstall
Clark	Long, Mo.	Scott
Cotton	Long, La.	Smith
Dirksen	Mansfield	Sparkman
Dodd	McCarthy	Symington
Dominick	McClellan	Tydings
Douglas	McGee	Williams, N.J.
Ellender	McIntyre	Yarborough
Ervin	McNamara	Young, N. Dak.
Fannin	Miller	Young, Ohio
Fong	Mondale	

NAYS—8

Bennett	Hruska	Stennis
Cooper	Robertson	Tower
Curtis	Simpson	

NOT VOTING—24

Allott	Johnston	Pearson
Byrd, Va.	Jordan, Idaho	Prouty
Carlson	Kennedy, Mass.	Ribicoff
Eastland	Magnuson	Russell
Fulbright	McGovern	Smathers
Grubbing	Metcalf	Talmadge
Hayden	Monroney	Thurmond
Hickenlooper	Moss	Williams, Del.

So the bill (S. 4) was passed.

Mr. MUSKIE. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MUSKIE. Mr. President, I ask unanimous consent that S. 4 as passed by the Senate be printed.

The VICE PRESIDENT. Without objection, it is so ordered.

#### TRIBUTE TO SENATOR MUSKIE

Mr. MORSE subsequently said: Mr. President, I wish to express my appreciation and thanks to the Senator from Maine [Mr. MUSKIE] for the very able leadership he provided in the handling and the passage of the Water Quality Act of 1965.

#### APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 7, S. 3.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with amendments.

Mr. MANSFIELD. I assure the Senate that no votes will be taken on this bill tonight.

#### LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to inquire of the majority leader as to the schedule for tomorrow, and the schedule for Monday and Tuesday, if possible.

Mr. MANSFIELD. After consulting with as many Senators as we could, the leadership wishes to inform the Senate that the business tomorrow will be the Appalachia bill. We hope later this evening, and very shortly to take up S. 408, in which the Senators from Alaska and New Jersey are interested.

#### ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 11 o'clock tomorrow morning.

The VICE PRESIDENT. Without objection, it is so ordered.

#### WAIVER OF RULE XII

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the provision of rule XII, providing for a quorum call prior to the propounding of a unanimous-consent request be waived.

The VICE PRESIDENT. Without objection, it is so ordered.

#### UNANIMOUS-CONSENT AGREEMENT FOR VOTE ON PASSAGE OF S. 3, APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on final passage of S. 3, the Appalachia bill, be taken at 3 p.m. on Monday next.

The VICE PRESIDENT. Without objection, it is so ordered.

The unanimous-consent agreement, subsequently reduced to writing, is as follows:

#### UNANIMOUS-CONSENT AGREEMENT

Ordered, That the Senate vote on final passage of the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region, at 3 p.m. on Monday, February 1, 1965.

Mr. LAUSCHE. Mr. President, I shall wish to have at least 1 hour on the Appalachia bill in the presentation of an amendment.

Mr. MANSFIELD. Without question the Senator will have that time.

Mr. LAUSCHE. I wish to be assured that I shall have that time provided for me even though the unanimous consent has been entered.

Mr. MANSFIELD. I say without qualification that the distinguished Senator from Ohio will have an hour or longer tomorrow, if he wishes.



wise comply with the cropland retirement program as set forth in this title.

The Secretary shall determine the rate of rental payments that will provide producers with a fair and reasonable annual return on the land retired and devoted to soil-conserving uses after taking all relevant factors into consideration, including (1) the incentive necessary to achieve voluntary participation in the program, (2) the loss of crop production on the retired acres, (3) any savings in cost which result from not planting crops, (4) the estimated profit margin of crop production on the designated acres, (5) continuing farm overhead expenses, (6) the cost of establishing a conservation practice on the retired acres, (7) the value of the land for production of commodities customarily grown on such kind of land in the county or area, and (9) drought, flood, or other abnormal condition.

The rate on lands determined in accordance with the preceding paragraph shall be adjusted on a State, county, and individual farm basis in such a manner as the Secretary determines will facilitate the practical administration of the program. The lands to be covered by contracts shall be determined by a competitive bid procedure whereby a producer wishing to obtain a contract shall specify the percentage of the rental rate applicable to his farm which he is willing to accept.

(d) The Secretary shall compensate producers for participating in the cropland retirement program through annual cash payments.

In order to assist producers in the establishment of soil-conserving uses on cropland retired under the cropland retirement program, the Secretary shall coordinate such program with the agricultural conservation program established pursuant to the Soil Conservation and Domestic Allotment Act, as amended (49 Stat. 163; 16 U.S.C. 590 et seq.).

#### *Terms and conditions of contracts with producers*

SEC. 102. (a) Under any cropland retirement contract the producer shall agree—

(1) to establish and maintain with proper management for the contract period protective vegetative cover (including but not limited to grass and trees), water storage facilities or other soil-, water-, wildlife-, or forest-conserving uses (excluding orchards and vineyards) on an acreage of land which is specifically designated at the time the contract is entered into and which has been regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers), which do not require annual tillage;

(2) to allow to remain fallow, idle, and in the production of crops (including tame hay, alfalfa, and clovers) which do not require annual tillage throughout the contract period, an acreage of the remaining cropland on the farm which is not less than the acreage normally allowed to remain fallow, idle, and in the production of crops which do not require annual tillage on such remaining acreage;

(3) not to harvest any crop from the acreage established in the protective vegetative cover, excepting timber (in accordance with sound forestry management) and wildlife or other natural products of such acreage which do not increase supplies of feed for domestic animals;

(4) not to graze any acreage established in protective vegetative cover;

(5) not to adopt any practice, or divert lands on the farm from conservation, woods, grazing, or other noncropland use, to any use specified by the Secretary in the contract as a practice or use which would tend to defeat the purposes of the contract;

(6) to abide by regulations prescribed by the Secretary with respect to the planting of crops during the contract period for later harvest or use; and

(7) to such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of this title and to facilitate the practical administration of the cropland retirement program, including provisions relating to control of insects, rodents, and noxious and other objectionable weeds.

(b) In the event that the Secretary determines that there has been a violation of the contract (including the prohibition of grazing on retired acreage) at any stage during the time such producer has control of the farm and that such violation is of such a substantial nature as to warrant termination of the contract, the producer shall forfeit all rights to payments or grants under the contract, and shall refund to the United States all payments and grants received by him thereunder. In the event that the Secretary determines that there has been a violation of the contract but that such violation is of such a nature as not to warrant termination of the contract, the producer shall accept such payment adjustments, and make such refunds to the United States of payments received by him, under the contract, as the Secretary may determine to be appropriate.

SEC. 103. The Soil Bank Act, as amended (70 Stat. 188; 7 U.S.C. 1801 et seq.), is amended as follows:

#### *Administrative and judicial remedy*

(1) The first sentence of section 107(d) of such Act (7 U.S.C. 1831(d)) is amended by adding after the words "paragraph (6) of the subsection (a)" the phrase "or under section 102(b) of the Wheat and Feed Grain Act of 1965".

#### *Effect on other programs*

(2) Section 112 of such Act (7 U.S.C. 1836) is amended by adding after the words "under this subtitle" each time it appears therein the phrase "or under title I of the Wheat and Feed Grain Act of 1965".

#### *Geographic applicability*

(3) Section 113 of such Act (7 U.S.C. 1837) is amended by adding after the words "subtitle B" the phrase "and title I of the Wheat and Feed Grain Act of 1965".

#### *Reapportionment prohibited*

(4) Section 115 of such Act (7 U.S.C. 1803) is amended by adding after the words "conservation reserve programs" the phrase "or the cropland retirement program established pursuant to title I of the Wheat and Feed Grain Act of 1965".

#### *Utilization of local and State committees*

(5) Section 117 of such Act (7 U.S.C. 1805) is amended by adding after the words "this title" the phrase "or title I of the Wheat and Feed Grain Act of 1965".

#### *Utilization of other agencies*

(6) Section 118 of such Act (7 U.S.C. 1806) is amended by adding after the words "this title" the phrase "or title I of the Wheat and Feed Grain Act of 1965".

#### *Utilization of land use capability data*

(7) Section 119 of such Act (7 U.S.C. 1807) is amended by adding after the words "this title" the phrase "or Title I of the Wheat and Feed Grain Act of 1965".

#### *Finality of determinations*

(8) Section 121 of such Act (7 U.S.C. 1809) is amended by adding after the words "this title" the phrase "or under title I of the Wheat and Feed Grain Act of 1965".

#### *Protection of tenants and sharecroppers*

(9) Section 122 of such Act (7 U.S.C. 1810) is amended by adding after the words "this title" the phrase "or under title I of the Wheat and Feed Grain Act of 1965".

#### *Penalty for grazing or harvesting*

(10) Section 123 of such Act (7 U.S.C. 1811) is amended by adding after the words "section 103 or 107" the phrase "or under title I of the Wheat and Feed Grain Act of 1965".

#### *Pooling or cropland retirement land*

(11) Section 126 of such Act (7 U.S.C. 1814) is amended by adding after the words "conservation reserve program" the phrase "or in the cropland retirement program pursuant to title I of the Wheat and Feed Grain Act of 1965".

#### *Incorrect information furnished by the Government—Marriage of producers*

(12) Section 128 of such Act (7 U.S.C. 1816) is amended by adding after the words "conservation reserve program" the phrase "or the cropland retirement program established pursuant to title I of the Wheat and Feed Grain Act of 1965".

#### *Authorized period of contract and expenditure—Appropriations*

SEC. 104. (a) The Secretary is authorized to formulate and announce programs under this title and to enter into contracts thereunder with producers during the three-year period 1966-68 to be carried out during the period ending not later than December 31, 1973, except that contracts for establishment of tree cover may continue until December 31, 1978.

(b) The period covered by any contract shall not be less than three years and shall not exceed five years, except that contracts for the establishment of tree cover may extend for ten years.

(c) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this title, including amounts as may be required to reimburse the Commodity Credit Corporation for its actual costs.

#### *Termination and modification of contracts*

SEC. 105. The Secretary may terminate any contract with a producer by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest. The Secretary may agree to such modification of contracts previously entered into as he may determine to be desirable to carry out the purposes of this title and to facilitate the practical administration of the cropland retirement program.

#### *Regulations*

SEC. 106. The Secretary shall prescribe such regulations as he determines necessary to carry out the provisions of this title.

#### **TITLE II—REPEAL OF AUTHORITY FOR ACREAGE ALLOTMENTS, MARKETING QUOTAS AND MARKETING CERTIFICATES ON WHEAT AND ACREAGE ALLOTMENTS ON CORN—PRICE SUPPORT ON WHEAT, CORN, OATS, RYE, BARLEY, AND GRAIN SORGHUM**

SEC. 201. Notwithstanding any other provision of law, effective with the 1966 crops of wheat, corn, oats, rye, barley, and grain sorghum, sections 321 through 339 of parts II and III of subtitle B and section 379(a) through 379(j) of subtitle D of title III of the Agricultural Adjustment Act of 1938, as amended (52 Stat. 31; 7 U.S.C. 1281 et seq.), are repealed. Parts IV, V, and VI of subtitle B are redesignated as parts II, III, and IV respectively, and subtitle F is redesignated subtitle D.

SEC. 202. Effective with the 1966 crop of wheat, the Act of May 26, 1941, as amended (Public Law 74, Seventy-seventh Congress, 55 Stat. 203), is repealed.

SEC. 203. Effective with the 1966 crops of wheat, corn, oats, rye, barley, and grain sorghum, sections 327 and 328 of the Food and Agriculture Act of 1962 (Public Law 87-703, Eighty-seventh Congress) are repealed.

SEC. 204. Effective with the 1966 crops of corn, oats, rye, barley, and grain sorghum, section 105 of the Agricultural Act of 1949, as amended (7 U.S.C. 1441 note), is amended to read as follows:

"SEC. 105. (a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1966 crop, price support shall be made available to producers for each crop of corn at 90 per centum of the average price



received by farmers, excluding payments in kind made by the Secretary, during the three complete marketing years immediately preceding the calendar year in which the marketing year for such crop begins, adjusted to offset the effect on such price of any abnormal quantity of low-grade corn marketed during any of such years: *Provided*, That the level of price support for any crop of corn shall not be less than 50 per centum of the parity price therefor.

"(b) Beginning with the 1966 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghum at a level which relates to the level at which price support is made available for corn as the feed value of such commodity relates to the feed value of corn."

SEC. 205. Effective with the 1966 crop of wheat, section 107 of the Agricultural Act of 1949, as amended (7 U.S.C. 1445(a)), is amended to read as follows:

"SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1966 crop, price support shall be made available to producers for each crop of wheat at the United States farm price equivalent as determined by the Secretary, of the average world market price during the three complete marketing years immediately preceding the calendar year in which the marketing year for such crop begins, with premiums and discounts as indicated by the market to reflect milling and baking quality: *Provided*, That the level of price support for any crop of wheat shall not be less than 50 per centum of the parity price therefor."

#### TITLE III—GENERAL PROVISIONS

##### *Federal irrigation, drainage, and flood control projects*

SEC. 301. Section 211 of the Agricultural Act of 1956, as amended (7 U.S.C. 1860), is amended (1) by striking "three years" each time it appears therein and inserting in lieu thereof "thirteen years", and (2) by adding after the words "soil bank provisions of the Act" in subsection (b) the phrase "and under title I of the Wheat and Feed Grain Act of 1965".

##### *Restrictions on sales by the Commodity Credit Corporation*

SEC. 302. Section 407 of the Agricultural Act of 1949, as amended (7 U.S.C. 1427), is amended—

(a) By changing the period at the end of the fourth sentence to a colon and adding the following: "*Provided*, That beginning July 1, 1965, the Commodity Credit Corporation shall not make any sales (except sales offset by equivalent purchases) of wheat, corn, oats, rye, barley, grain sorghum, soy beans, or flaxseed at less than 125 per centum of the current support price for any such commodity, plus reasonable carrying charges," and

(b) By deleting the seventh sentence.

#### PROPOSED AMENDMENT TO CONSTITUTION ON PRESIDENTIAL POWER AND SUCCESSION

Mr. PASTORE. Mr. President, at the request of Justice Michael A. Musmanno of the Supreme Court of Pennsylvania, I introduce for appropriate reference, a joint resolution proposing an amendment to the Constitution of the United States on Presidential power and succession.

This joint resolution embodies the so-called Musmanno plan. It is identical with House Joint Resolution 118, introduced in the House by Mr. HOLLAND, of Pennsylvania, on January 5 of this year. It is similar, also, to Senate Joint Resolution 155, which the senior Senator from West Virginia [Mr. RANDOLPH] intro-

duced during the 2d session of the 88th Congress.

Justice Musmanno's plan in essence provides that the House and Senate Judiciary Committees will constitute a permanent Commission on Prevention of Lapse of Executive Power. Under such rules as the Congress shall prescribe by concurrent resolution, the Commission shall determine by a two-thirds vote all questions concerning the inability or disability of the President to discharge the powers and duties of his office, and shall determine when such inability or disability ceases.

I am aware that I am a cosponsor of Senate Joint Resolution 1, introduced on January 6 by the junior Senator from Indiana [Mr. BAYH]. I still support Senate Joint Resolution 1 in every respect.

The joint resolution which I have introduced will be referred to the Committee on the Judiciary. I understand that Justice Musmanno, a noted authority on the Constitution, will appear before the committee on Friday of this week to testify concerning the problem of Presidential succession. It will assist the committee to have before it the Musmanno plan. I offer this joint resolution for that purpose.

The ACTING PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 34) proposing an amendment to the Constitution of the United States on Presidential power and succession, introduced by Mr. PASTORE, by request was received, read twice by its title, and referred to the Committee on the Judiciary.

#### PROCEDURES IN CONNECTION WITH PROPOSED AMENDMENTS TO THE CONSTITUTION

Mr. STENNIS. Mr. President, I send to the desk for appropriate reference a Senate resolution to require that the passage of a joint resolution proposing an amendment to the Constitution shall be determined by a yea and nay vote upon a call of the roll of the Senate. If adopted, this resolution would amend the standing rules of the Senate;

Article V of the Constitution provides, in part, that:

The Congress, whenever two-thirds of both Houses shall deem it necessary \* \* \* shall propose Amendments to this Constitution or, on the Application of the Legislatures of two-thirds of the several States, shall call a Convention for proposing amendments.

The significance of proposing changes in our basic law is self-evident, Mr. President; it is a duty which the Congress should exercise with the greatest care. I became deeply concerned during the last session of Congress, however, with the manner in which the Senate considered and adopted Senate Joint Resolution 139. That resolution proposed very basic changes in our Constitution with reference to presidential inability and succession, and yet it was considered on the floor of the Senate and adopted at a time when only nine Sena-

tors were present. There was no rollcall vote and the RECORD does not even reflect the presence of a quorum at the time of the voice vote, although a quorum was present earlier in the day. When this situation came to my attention, I moved to reconsider the vote by which Senate Joint Resolution 139 had been adopted. By agreement of the majority leader, this motion was passed and the resolution was subsequently adopted on a rollcall vote of 65 yeas and 0 nays.

I emphasized on the floor of the Senate during consideration of Senate Joint Resolution 139 that the constitutional provisions and the rules of the Senate had been technically followed. In my opinion, however, the Constitution does not contemplate the adoption of a resolution proposing an amendment when only nine Members of the Senate are in attendance.

To the contrary, I believe the spirit of the Constitution requires that the RECORD affirmatively reflect not only the actual presence of a quorum and the names of those constituting the quorum, but also the fact that two-thirds of the Senators present voted in favor of the resolution.

A vote thus recorded is itself a strong recommendation to the States that the proposed amendment be adopted.

The Congress has no greater responsibility, Mr. President, than that of considering proposed changes in our basic and fundamental law. The amending process is not often used, but when it is extreme care should be exercised. The adoption of the resolution I now introduce would insure such consideration. I strongly urge its immediate consideration by the Committee on Rules and adoption by the Senate.

Mr. President, I ask that the resolution be appropriately referred.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The resolution (S. Res. 67) was referred to the Committee on Rules and Administration, as follows:

*Resolved*, That the Standing Rules of the Senate are amended by adding at the end thereof the following new rule:

#### "RULE XLI

"The question of the passage of a joint resolution proposing an amendment to the Constitution shall be determined by a yea-and-nay vote upon a call of the roll of the Senate."

#### APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

##### AMENDMENT NO. 7

Mr. LAUSCHE submitted amendments, intended to be proposed by him, to the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region, which were ordered to lie on the table and to be printed.

Mr. LAUSCHE. Mr. President, if adopted, the amendment would prohibit the use of any money which would be authorized in the bill, S. 3, for the rehabilitation of strip-mined land belonging to private individuals until a study authorized in the bill is completed on



July 1, 1967. The bill contains language calling for a study of the ravages of strip-mined land. The study would make recommendations as to how to solve the problem. I completely concur with that part of the bill. But the bill contains a paradox. While the study is being made, money would be authorized for the leveling of private land, I suppose, provided that it would be devoted to public use. My purpose is to make the study first, find out what might be done, and then begin appropriating money for the rehabilitation of land.

## AMENDMENT NO. 2

Mr. McCLELLAN. Mr. President, on behalf of my distinguished colleague from Arkansas [Mr. FULBRIGHT], the distinguished junior Senator from Oklahoma [Mr. HARRIS], and myself, I send to the desk a proposed amendment to S. 3. I ask unanimous consent that it may be printed and lie on the desk.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment (No. 8) was ordered to lie on the table and to be printed.

Mr. McCLELLAN. Mr. President, the amendment would add a new chapter to S. 3, the Appalachia bill, entitled "The Ozark Development Act of 1965."

The amendment would create the Ozark Development Commission, composed of seven members, three appointed by the President from the participating States, three appointed by the Governors of the States, one each from the States of Arkansas, Missouri, and Oklahoma; and the seventh to be appointed at the discretion of the President, to serve as chairman and full-time executive officer of the Commission.

The Commission would provide for the continuing development of comprehensive and coordinated plans and programs, including those for land and public works, and establish priorities therefor; conduct investigations, research, and studies, including inventory and analysis of the resources of the region. The Commission would also sponsor demonstration projects designed to foster regional productivity and growth.

The Commission would prepare detailed plans, in cooperation with the Secretary of Commerce, for scenic highways in the region, to include planning for the development of recreational sites in such regions.

The Commission would review and recommend modifications or additions to existing Federal, State, local, and private programs to improve their effectiveness, and assist in their financing. It would be authorized to recommend interstate compacts and cooperation; to work with State and local agencies to develop model legislation; support existing local development districts and encourage formation where needed and make grants for professional assistance to these locals; encourage private investment in industrial, commercial, and recreational projects; and to serve as a focal point and coordinating unit for Federal, State, and local programs in the region.

The Commission would provide a meaningful forum for consideration of

problems of the region and propose solutions thereto, using citizens and special advisory councils and public conferences.

The Commission could also designate such other counties in the States covered as deemed necessary to carry out the purposes of the Ozark region legislation; and recommend to the President for transmittal to the Congress a program of development projects, with proposals for Federal participation in their funding as the Commission deems warranted by studies.

The bill would authorize the expenditure of \$7.5 million.

We feel that some areas of our Nation meet the criteria for the proposed development of the Appalachia region, and we in the Ozark area feel that the Ozarks should be included in any program of assistance that is proposed and involved in S. 3.

If we are to have a program of this kind and select areas of our country that are in distress or that are having some economic problems, those of us who are sponsoring the amendment to which I have referred feel that the program should be made applicable to areas and sections of the country in which we are interested and where some of our people live as well as other sections of the Nation. We do not feel that our States and our areas should be discriminated against, omitted, or excluded from the character of the legislation proposed, if it is deemed to be wise and a part of the responsibility of the Federal Government.

## AMENDMENT NO. 9

Mr. McCLELLAN. Mr. President, on behalf of my distinguished colleague, the Senator from Arkansas [Mr. FULBRIGHT] and myself, I submit and send to the desk an amendment intended to be proposed to the amendment of the Senator from Wisconsin [Mr. NELSON] to S. 3, and I ask unanimous consent that the amendment be printed and lie on the desk.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered; and, without objection, the amendment will lie on the desk.

The text of the amendment is as follows:

On page 4, after line 23, insert the following new subsection:

"(e) Notwithstanding the provisions of subsection (a) of this section, the Administrator shall designate that portion of the States of Arkansas, Missouri, and Oklahoma as is commonly known as the Ozark region, as a region for the purposes of this Act."

Mr. McCLELLAN. Mr. President, this is an amendment to the amendment offered by the senior Senator from Wisconsin [Mr. NELSON] to S. 3. The amendment of the Senator from Wisconsin [Mr. NELSON] is designed to assist no more than six economically depressed regions to meet their special problems and to promote their economic development by helping to develop policies and programs for Federal, State, and local efforts essential to an attack upon common problems through a coordinated and concerted regional approach.

His amendment, in essence, is designed to lead to the development of six Appa-

lachia-type regions and starts with the planning, coordinating, developing, and recommending stages.

The amendment we are now submitting to the amendment of the Senator from Wisconsin [Mr. NELSON] would merely specify the Ozark region as one of the six regions to be designated under the proposed legislation. If accepted, it would mean that the Ozark region would qualify for up to \$2½ million for the development of a regional plan for the area.

## AMENDMENT NO. 10

Mr. LONG of Louisiana submitted an amendment, intended to be proposed by him, to Senate bill 3, surpa, which was ordered to lie on the table and to be printed.

## PREVENT FEDERAL SUBSIDIES FOR CATTLE PRODUCTION IN APPALACHIA (AMENDMENT NO. 11)

Mr. HRUSKA. Mr. President, on behalf of myself and Senators CURTIS, DOMINICK, MUNDT, TOWER, BENNETT, SIMPSON, MILLER, and LAUSCHE, I submit an amendment, intended to be proposed by us, jointly, to Senate bill 3, the Appalachia bill, which if adopted, will strike section 203 from the Appalachia bill. Section 203 is the section dealing with special assistance to the Appalachia region by the Secretary of Agriculture.

Last year the corresponding section of the bill was entitled "Pasture Improvement and Development." It provided for a direct program of assistance in building up the cattle industry of the region.

In this year's bill as reported by the committee, section 203 is entitled "Land Stabilization, Conservation, and Erosion Control." The new language carefully avoids any mention of pasturage, or of cattle or any other kind of livestock. The language has been completely recast after the model of the Great Plains conservation program and all the emphasis is on conservation.

Last year, section 203 was stricken from the bill by the Senate on the basis of protest from indignant cattlemen all over the country. Although the language has been rewritten, it is suggested that the authority contained in this section should still be a cause for concern by the American cattle industry, and the Senate should stand by its guns and strike it out again.

This position is taken for the following reasons. First of all, the new section 203 still gives to the Secretary of Agriculture all the same authority to make grants to landowners in the amount of the farmers of Appalachia that was contained in the language of section 203 of the bill last year, S. 2782 of the 88th Congress. The bill would authorize grants to landowners in the amount of 80 percent of the cost of the work to be undertaken in conserving and developing the land. In last year's bill, such assistance could be given on not more than 25 acres for each landowner; in this year's bill, the limit has been raised—to 50 acres per landowner.

Last year the Secretary of Agriculture advised us that the only hope of salvation for the farmers of the Appa-



lachia region lay in the development or expansion of cattle production. That was the only real opportunity for improvement in the agricultural productivity of the region. We were told that no other agricultural industry could be expanded to a degree that would be of any real help to those farmers.

If that was the case last year, I see no reason to believe that the situation has changed this year. We must conclude that such improvements as would be accomplished under the provisions of this rewritten section 203 would be mainly in the direction of expanded cattle production.

Thirdly, it is to be noted that exactly the same sum of money, \$17 million, would be authorized in this year's bill as in last year's bill.

Our opposition to this proposal is not due to any lack of sympathy for the problems of the small farmers of the Appalachia region. We understand those problems and would help with them if we could. But we cannot afford to grant discriminatory assistance to the cattle industry of one part of the country at the expense of our own producers. We cannot be expected to acquiesce in a proposal directed squarely against the livelihood of our own people.

Mr. President, surely Senators have not forgotten the uphill struggle of American cattlemen during these past 2 years, to keep their heads above water, to maintain the solvency and the productivity of the American cattle industry. American cattlemen suffered severely from the sharp price declines of 1963 and 1964. Initially, prices of fed cattle dropped as much as 30 percent on the major livestock markets. Choice slaughter steers in Chicago which were over \$30 a hundred in the latter part of 1952, averaged between \$21 and \$22 a hundred during much of last year. Although a part of this price drop has been recovered, it is only a part and prices are still distressingly low.

The plans announced for the Appalachia region were in terms of feeder cattle rather than fat cattle. The picture in this respect is even more depressing. Feeder cattle are still far below the prices even of last year. In Omaha during the week ended January 23, according to the Department of Agriculture, choice feeder steers averaged only \$21.50 per hundred, compared with \$24.25 per hundred at the same time last year.

It would be my hope that whatever action the Senate takes, it will not inflict another blow on the American cattle industry. Last year, the Secretary of Agriculture went up and down the land proclaiming that the problems of the cattle industry were due primarily to our own overproduction. It is inconsistent, in fact it is ridiculous for him to recommend and for us to take action to stimulate further beef production through the use of special Federal subsidies on a basis which discriminates in favor of one section of the country and against all other sections.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and will lie on the table.

#### ADDITIONAL COSPONSOR OF S. 5

Mr. HARTKE. Mr. President, I ask unanimous consent that at the next printing of S. 5, the higher education bill, the name of the Senator from Louisiana [Mr. LONG] be added as a cosponsor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### DESIGNATION OF COLUMBUS DAY AS A LEGAL HOLIDAY—ADDITIONAL COSPONSOR OF BILL

Mr. BOGGS. Mr. President, I ask unanimous consent that at the next printing of the bill (S. 108) making Columbus Day a legal holiday, the name of the distinguished junior Senator from New Hampshire [Mr. McINTYRE] be added as a cosponsor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### TO AUTHORIZE THE ESTABLISHMENT OF A PUBLIC COMMUNITY COLLEGE AND A PUBLIC COLLEGE OF THE ARTS AND SCIENCES IN THE DISTRICT OF COLUMBIA—ADDITIONAL COSPONSORS OF BILL

Mr. MORSE. Mr. President, I ask unanimous consent that at the next printing of the bill, S. 293, authorizing the establishment of a public community college and a public college of arts and sciences in the District of Columbia, the names of my distinguished colleagues, the Senator from New York [Mr. KENNEDY], the Senator from Maryland [Mr. TYDINGS], and the Senator from Texas [Mr. YARBOROUGH] be added as cosponsors.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### A FLOOD CONTROL INSURANCE STUDY—ADDITIONAL COSPONSOR OF BILL

Mr. WILLIAMS of New Jersey. Mr. President, I ask unanimous consent that at the next printing of S. 408, the bill I have introduced to authorize a flood insurance study, the names of Senators McGEE, HART, JAVITS, and PELL be added as cosponsors.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### REVISION OF OUR IMMIGRATION LAWS—ADDITIONAL COSPONSOR OF BILL

Mr. HART. Mr. President, I ask unanimous consent that at its next printing the Senator from California [Mr. MURPHY] be added as a cosponsor of S. 500, a bill carrying out the Presi-

dent's recommendations for revision of our immigration laws.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### UPPER NIOBRARA RIVER COMPACT, WYOMING AND NEBRASKA—ADDITIONAL COSPONSORS OF BILL

Mr. SIMPSON. Mr. President, a mistake was made as to the sponsors of S. 553. This bill calls for the consent to the Upper Niobrara River Compact between the States of Wyoming and Nebraska.

A similar bill was introduced during the 88th Congress by myself, Senator HRUSKA, Senator CURTIS, and Senator MCGEE. The bill, as introduced on January 15, 1965, should have had the same cosponsors. I ask unanimous consent to have the names of the two Senators from Nebraska and Senator MCGEE added to the bill at the next printing.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### ADDITIONAL COSPONSORS OF BILL AND JOINT RESOLUTION

Under authority of the orders of the Senate of January 19, 1965, the following names have been added as additional cosponsors for the following bill and joint resolution:

S. 602. A bill to amend the Small Reclamation Projects Act of 1956: Senators ALLOTT, BENNETT, BIBLE, BURDICK, CHURCH, KUCHEL, MCGEE, MCGOVERN, MORSE, MUNDT, and SIMPSON.

S.J. Res. 30. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget: Mr. HRUSKA and Mr. THURMOND.

#### ANNOUNCEMENT OF HEARINGS ON S. 672, A BILL TO AMEND THE ARMS CONTROL AND DISARMAMENT ACT

Mr. FULBRIGHT. Mr. President, I wish to announce that the Committee on Foreign Relations will schedule hearings on February 22, 1965, on S. 672, a bill to amend the Arms Control and Disarmament Act, as amended, in order to increase the authorization for appropriations.

A draft of this bill was transmitted to the Senate by the President of the United States on January 15 and was introduced by me on January 22, 1965. The Director of the Arms Control and Disarmament Agency, Mr. William C. Foster, will appear on behalf of the administration, and subsequently the committee will hear such others as ask to testify.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, notified the Senate that, pursuant to the provisions of 20 U.S.C. 42 and 43, the Speaker had appointed









# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official business Postage and fees paid  
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OFFICE OF  
BUDGET AND FINANCE

(For information only;  
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HIGHLIGHTS: Senate debated Appalachia bill.

### SENATE

1. APPALACHIA. Began debate on S. 3, the Appalachia bill (pp. 1539-69, 1573-6). Agreed to the committee amendments en bloc (pp. 1546-7). Agreed to an amendment by Sen. Clark which he stated was "a purely technical amendment" to correct certain language in the bill (p. 1560). Sen. Miller submitted an amendment intended to be proposed to the bill (p. 1521).

As reported, the bill includes provisions as follows: Authorizes the Secretary of Agriculture to make grants to landowners to assist in the improvement and development of land and erosion control in the region under agreements not to exceed 10 years. Such grants to any landowner shall not exceed 80 percent of the cost of improving and developing 50 acres of land owned by such landowner. Authorizes not to exceed \$17 million for land development and erosion control purposes. Authorizes the Secretary to provide technical assistance in the organization and operation, under State law, of private timber development organizations having as their objective the carrying out of timber development programs to improve

timber productivity and quality. Authorizes the Secretary to provide not more than one-half of the initial capital requirements of timber development organizations through loans by the Farmers Home Administration. Authorizes not to exceed \$5 million for timber development activities. Authorizes the Secretary of Commerce to assist in the construction of a system of development highways and local access roads to isolated areas in the Appalachian region. Authorizes the Secretary of the Interior to carry out a comprehensive strip mine study of the region by July 1, 1967. Authorizes the Secretary of the Army to prepare a program for the development of the water resources of the region. Authorizes the Secretary of Commerce to allocate funds (up to \$90 million) to the heads of Federal departments and agencies responsible for the administration of Federal grant-in-aid programs for the purpose of increasing the Federal contribution to projects in the Appalachian region above the fixed maximum portion of the cost of such project otherwise authorized by law. Provides for the creation and operation of a joint Federal-State commission (the Appalachian Regional Commission) to plan and coordinate the various special activities involved in the development and improvement of the region.

The committee report includes the following statements:

"...this bill does not contain the entire special Appalachian program for fiscal 1966 which was described in the report of the President's Appalachian Regional Commission. The bill only contains provisions covering programs which require new authorizations or modifications to existing authorizations. Funds to carry out the entire program--both these provisions contained in the legislation now before Congress and those programs already authorized which require additional funds for increased activities in the Appalachian region--will be provided for in a special appropriations bill to be presented to Congress once the Appalachian regional development bill is passed.

"Some of the additional programs described in the report and not included in the bill, which will be funded through a special Appalachian supplemental appropriations bill, and be begun or supplemented in fiscal 1966, are: An expansion of Corps of Engineers and Soil Conservation Service water control projects; the construction of additional national forest development roads; supplementation of research programs seeking uses for Appalachian hardwoods; acquisition of additional lands in the national forest system; provision of an Appalachian plant materials center; extension of loans to farmers participating in the Appalachian land improvement and erosion control program through the Farmers Home Administration; control of burning coal piles and studies of acid mine drainage by the Public Health Service; strip mine reclamation projects to be carried out by the Forest Service in national forests, and an expansion of mapping and hydrological studies of the Geological Survey. This is not an inclusive listing of the programs that may be supplemented."

"The substitute amendment is predicated on established practices of soil conservation and erosion control and would apply the 10-year contractual plan for cost-sharing developed in the Great Plains program. It offers no special provisions for assisting livestock operations in Appalachia. The committee assumes that after the land is restored and revegetated the operation of free market factors, in conjunction with already established Federal programs, will supply this need. The committee believes that the benefits from soil conservation, water quality control, recreation, and the preservation of open spaces in the region justify and support the implementation of this program.

"In the administration of section 203, the committee urges that the Commission and the Department of Agriculture encourage the fullest participation of State extension services and the facilities and personnel of the land-grant colleges and universities of Appalachia."



would be preserved on county land managed according to a plan acceptable to the Secretary of the Interior.

An intensive outdoor recreation area along the 57 miles of the St. Croix south of Taylors Falls, protected by zoning rather than land acquisition of easements. Acquisition would be limited to small, key parcels needed for public access and adequate park facilities. Jurisdiction on this stretch of the river would draw up zoning ordinances, with the aid of regulations developed by the Secretary of the Interior, to exclude new commercial or industrial uses not in harmony with the purposes of the act.

A specific section of the bill would provide for Federal, State, county and local cooperation in the drawing up of plans for the conservation and recreational development of the waterway.

Zoning cannot be retroactive, therefore the proposed Northern States Power Co. plant at Oak Park Heights, which has already received local permits, would not be legally affected by the legislation.

Section 1(a) states that it is the purpose of the bill to establish the St. Croix National Scenic Waterway to preserve as a wild river the portion of the St. Croix from the dam at Taylors Falls north to the dam near Gordon, Wis., and its Namekagon tributary, as wild rivers and the St. Croix south of Taylors Falls for intensive recreational use "for the enjoyment of all the American people."

Section 1(b) authorizes the Secretary of the Interior to acquire lands and waters and interests (such as scenic easements) therein:

1. Not more than 640 acres including not more than 2 miles of lake frontage on the lake formed behind the dam at Taylors Falls.
2. From the north end of that lake to the dam near Gordon, Wis., up to 320 acres per mile (the equivalent of a strip one-quarter mile deep on both banks).

(This formula is designed to give the Secretary flexibility in laying out the waterway. It is intended that wherever possible the Secretary will use easements rather than outright purchase so as to disturb the land ownership pattern as little as possible while preserving the primitive character of the waterway.)

3. On the lower St. Croix, from the dam at Taylors Falls south to the Mississippi River, the Secretary is granted the same acquisition authority, however the "authority shall be suspended so long as the appropriate local zoning agency shall have in force \* \* \* a duly adopted \* \* \* zoning ordinance \* \* \* satisfactory to the Secretary."

In order to provide public access to the lower St. Croix and to provide adequate park facilities the Secretary, despite the zoning provisions, is authorized to acquire not more than 1,600 acres including not more than 5 miles of river frontage on the 57-mile stretch of river from the dam to the Mississippi.

4. The same 320-acres-per-mile formula is applied to the Namekagon from its confluence with the St. Croix to the dam at Lake Namekagon, except that along the lake behind the dam at Trego, Wis., the Secretary is limited to acquiring 640 acres including not more than 2 miles of lakeshore (the same amount as permitted on the lake behind the dam at Taylors Falls).

Section 1(c): The Secretary is given the customary authority to acquire land by "donation, purchase with donated or appropriated funds, exchange or otherwise."

Section 1(d) provides that State-owned land within the waterway may only be acquired with the consent of the State. Further it provides for agreements between the States and the Secretary under which the Secretary would refrain from acquiring land that the States plan to acquire.

Section 1(e): The Secretary's authority

to acquire land is suspended with respect to lands in incorporated villages and cities that have zoning ordinances in force satisfactory to the Secretary.

Section 1(f): His authority is suspended on county-owned lands where the county is following "a plan for management" satisfactory to the Secretary.

Section 1(g) spells out the rights of the owners of improved property acquired by the Secretary under the terms of this act.

Owners of "detached, noncommercial, residential family dwellings, the construction of which began before January 1, 1965," that are acquired by the Secretary may reserve for themselves either a transferable 25-year right of use and occupancy or a life right of use and occupancy.

Section 2 details zoning procedures and regulations. The Secretary shall issue regulations for zoning designed to promote the protection and development of the waterway and to prohibit new commercial or industrial uses not compatible with a scenic and recreational waterway. The Secretary is required to approve local ordinances that meet the standards set out in the regulations. If approved regulations lapse, are violated, or are not in force the suspension of the Secretary's powers of condemnation "automatically cease."

Section 3 provides for an agreement between the Secretaries of the Interior and Agriculture on the administration of that corner of the waterway that lies in the Chequamegon National Forest in Wisconsin, near Lake Namekagon.

And for cooperative agreement, at the pleasure of the tribe, for the protection and development of the lands of the St. Croix Indian Reservation near Danbury, Minn., that lie within the waterway.

Section 4 provides that the St. Croix National Scenic Waterway shall be administered by the Secretary of the Interior "with such statutory authority \* \* \* as may be available to him \* \* \* for the conservation and management of natural resources."

Section 5 provides for cooperation between the Secretary and the States, their political subdivisions and other Federal agencies in "formulating and implementing \* \* \* comprehensive plans for the use, development, and conservation of the outdoor resources" of the waterway.

Section 6, the standard park bill hunting and fishing permission clause, provides for the applicability of State hunting and fishing laws and for consultation with the "appropriate State agency" before prescribing any restrictions.

Section 7 forbids the Federal Power Commission from licensing any "dam or other structure" the Secretary determines would adversely affect the waterway. Disagreements to be referred to the Congress for resolution.

Section 8 restricts the Army Engineers in the same way section 7 restrains the Federal Power Commission.

Section 9 provides for cooperation between the Secretary and State and Federal water pollution agencies for the "elimination or diminishing" of pollution in the waterway.

Section 10 authorizes to be appropriated "such sums as are necessary to carry out the purposes of this act."

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 897) to provide for the establishment of the St. Croix National Scenic Waterway in the States of Minnesota and Wisconsin, and for other purposes introduced by Mr. NELSON (for himself and Mr. MONDALE), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

## CHANGE OF REFERENCE

Mr. MCGEE. Mr. President, earlier this session I introduced, on behalf of myself and the junior Senator from Wyoming [Mr. SIMPSON], a bill for the relief of a constituent that was numbered S. 82 and was referred to the Committee on Interior and Insular Affairs. Since the bill was in the nature of a private claim, I have been informed that it should have been more suitably referred to the Committee on the Judiciary. Therefore, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the bill and that it be referred to the Committee on the Judiciary.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

## APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965 (AMENDMENT NO. 12)

Mr. MILLER submitted an amendment, intended to be proposed by him, to the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region, which was ordered to lie on the table and to be printed.

## ADDITIONAL COSPONSORS OF BILL AND JOINT RESOLUTION

Under authority of the orders of the Senate of January 19, 1965, the following names have been added as additional cosponsors for the following bill and joint resolution:

S. 622. A bill to facilitate the management, use, and public benefits from the Appalachian Trail, a scenic trail designed primarily for foot travel through natural or primitive areas, and extending generally from Maine to Georgia; to facilitate and promote Federal, State, local, and private cooperation and assistance for the promotion of the trail, and for other purposes: Senators BREWSTER, FELL, RANDOLPH, ROBERTSON, SCOTT, and TALMADGE.

S.J. Res. 29. Joint resolution to authorize and direct the Bureau of Commercial Fisheries to conduct a survey of the marine and fresh-water commercial fishery resources of the United States, its territories, and possessions: Senators BREWSTER, FONG, and HART.

## NOTICE OF HEARINGS ON GOLD RESERVE REQUIREMENTS

Mr. ROBERTSON. Mr. President, on Tuesday, January 26, 1965, I gave notice in the Record that hearings would be held before the Banking and Currency Committee beginning February 2, 1965, on the administration bill to amend the Nation's gold reserve requirements—which I introduced on January 28, 1965, as S. 797—and on Senator DOUGLAS' bill to repeal the gold reserve requirements (S. 743).

Yesterday, Senator JAVITS introduced a bill, S. 814, which, like the administration bill, would amend the gold reserve requirements, but differs from the ad-



ministration bill in the technique which would be used. This bill was referred to the Senate Banking and Currency Committee, and the hearings beginning February 2, 1965, will also include consideration of this bill.

Persons who wish to appear and testify before the committee are requested to notify Matthew Hale, chief of staff, Senate Banking and Currency Committee, room 5300, New Senate Office Building, telephone 225-3921.

#### ADDITIONAL COSPONSOR OF AMENDMENT NO. 7 TO S. 3

Mr. LAUSCHE. Mr. President, I ask unanimous consent that the name of my colleague, the junior Senator from Ohio [Mr. Young], be added as a cosponsor to my amendment No. 7 to S. 3, the Appalachian bill.

The VICE PRESIDENT. Without objection, it is so ordered.

#### ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. ROBERTSON:

Editorial on U.S. aid to Egypt, published in the Richmond News Leader of January 28, 1965.

By Mr. MONDALE:

Article entitled "Changing Communities—Upper Great Lakes Region—Jobs and Resources," written by James I. Black and Frederic Marx, and published in the December 1964 issue of the Employment Service Review.

#### TECHNOLOGY AND THE CITIZEN

Mr. AIKEN. Mr. President, one of the best addresses I have read recently was delivered by Vice Adm. H. G. Rickover before the Publishers' Lunch Club of New York on January 7, 1965.

The address is entitled "Technology and the Citizen." In making the address, Admiral Rickover displayed his expert knowledge of man, government, and technology; and, it seems to me, he undertakes to put each in its proper sphere. Since the address ought to be required reading for Members of the Congress, I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

##### TECHNOLOGY AND THE CITIZEN

(By Vice Adm. H. G. Rickover, U.S. Navy, at the Publishers' Lunch Club, New York, N.Y., January 7, 1965)

Your invitation honors me. I am delighted to be here. But I do have some misgivings as to my qualifications to address this meeting.

Speakers, I understand, are chosen because they have important things to say about publishing of some related form of communications. As you know, my job is to build nuclear warships and atomic power stations; my extracurricular interest is to see American education brought up to par with education in countries of comparable civilization; neither of these activities makes me an

expert on publishing. So I shall not be able to deliver the kind of speech you expect on these occasions.

The subject I propose to discuss—"Technology and the Citizen"—has no direct bearing on the practical problems you encounter in your field of work. It does, however, concern you, as it concerns me, because it has to do with our liberties as citizens of a free society. Our political philosophy, our form of government have their *raison d'être* in the American commitment to individual liberty. Conversely, this philosophy, this political system will not survive unless the individual in our society remains autonomous, for only freemen can make a success of democracy.

Citizens have private liberties and public responsibilities. In an oversimplified way, one can say they safeguard their private liberties by discharging their public responsibilities; contrariwise, it is because they are free, self-determining human beings that they are able to perform citizenship functions. Any diminution, whatever its cause, of individual liberty or of citizenship capabilities, makes our society less free, our political system less viable. My purpose is to show that current attitudes toward technology, and some of the uses to which technology is being put, do in fact encroach on our liberties. Let me explain:

A society is free when it centers on man; that is, when it gives paramount consideration to human rights, interests, and needs. Powerful forces are driving us toward a pattern of life in which technology, rather than man, would be central to the purpose of our society. The evidence is all around us. There is a marked propensity to regard technology as an end in itself, when actually it is no more than a means to ends that man determines. There is a tacit assumption, whenever technology contravenes human desires, that man must adapt himself to technology instead of technology being made to serve man. It is symptomatic of this worshipful attitude toward technology, this insensitivity to human needs that those who utilize technology for their private purposes have been able to propagate the preposterous notion that whatever is technically feasible is *eo ipso* right and lawful; hence to regulate the use of technology in the public interest would improperly restrict the liberty of the user. When technology is viewed in this lopsided fashion, it becomes a threat to our free society. We have allowed this threat to arise; it is now up to us to overcome it.

I recently came upon an editorial, written by James Russell Lowell during Lincoln's election campaign of 1860. He observed that "in a society like ours, where every man may transmute his private thought into history and destiny by dropping it into the ballot box, a peculiar responsibility rests upon the individual. Nothing can absolve us from doing our best to look at all public questions as citizens, and therefore in some sort as \* \* \* rulers."

How to resolve the antithesis between technology and individual liberty; how to insure that technology will be beneficial, not harmful, to man, to society, and to our democratic institutions—this, I would say, is a public question. I raise it here because I believe the members of this audience are particularly well qualified to explore this problem. In your business the conflict between technology and liberty—so prevalent everywhere else in our society—is muted, if not absent altogether.

Improvements in the mechanics of producing and selling books have not diminished the importance of the author. Your success still depends on him. He cannot be rendered obsolete by automation. The human factor therefore continues to outweigh the technical. As in the past, your main function is to discover talent and help bring it to fruition. You know that liberty enhances creativity, that men with a special competence

must be allowed to follow their own judgment. While you will encourage authors, help them with syntax and spelling—I suspect you do a better job of teaching English composition than most schools—give them the benefit of your experience, you do not impose your own literary judgment on a writer who disagrees with you, nor do you insist unduly that he accommodate himself to commercial considerations.

The respect you show for the professional liberty of productive people sets you apart not only from most businesses but from other communications enterprises as well. Take the entertainment industry. It is common practice there for authors to be subjected to literary dictation by those whose position in the industry gives them power to do so, though they may be artistically incompetent. Or take the mass media. They are so dependent on advertising that, with the best will in the world, they cannot accord their writers as much freedom as you do.

My appraisal of your business is no more than a layman's opinion, but as a sometime writer and an avid reader of books I find myself marginally within your orbit. Let me say here that my contacts with you, as author to publisher, have been the most pleasant and fruitful I have ever had with anyone whose cooperation and help I needed to get a piece of work done. Moreover, since I depend on books, not only for enjoyment but also to keep me au courant with the world of ideas and with happenings all around the globe, I am grateful that you publish books on any subject under the sun; that you publish controversial books and books that appeal to limited audiences, though you know full well they may bring you no profit. Here you follow a concept of professional service that is like that of good physicians whose practice habitually includes patients too poor to pay their medical bills.

Your business is conducted more nearly as a profession than any other business I know. I assume this is due, in part, to the kind of work you do; in part, to the human scale of your enterprises. So far, you have avoided the organizational giantism that is so prominent a feature of American life.

Huge organizations have difficulty maintaining a professional viewpoint; chiefly because, in our country at least, such organizations are customarily run not by the people who do the productive work but by a special category of career men whose particular metier is to rule large-scale enterprises—the "pure" administrators. To them, the decisive consideration is the good of the organization, by which they nearly always mean whatever enhances its power and profit. Administrators are rarely receptive to the professional viewpoint which has an ethic of its own; an ethic that, to professional people, supersedes material considerations.

It is then perhaps not surprising that when communications enterprises grow overlarge, and therefore succumb to the rule of "pure" administrators, they tend to interpret freedom of speech and the press as an economic right; the right of communications media to decide what to say or print and, conversely, what to play down or omit entirely. All too often, the determining factor will be profit, not principle. In contrast, you see more clearly that freedom of speech and of the press is a great constitutional right and has as its correlative the obligation to give the public the truth in all matters—all of the truth, no matter how controversial, how distasteful to powerful pressure groups. Book publishing is today the main bulwark of freedom of speech and the press, in the original sense of the expression which meant not an economic but a human right—the right to be informed and the right to be



vult audaciously proclaimed at the height of Hitler's victories would have to be protected throughout the world by institutions embodying the ideal of the rule of law and international cooperation.

For him, humanity, its freedom, its survival, towered above pettier interests—national rivalries, old enmities, the bitter disputes of race and creed. "In victory—magnanimity, in peace—good will" were more than slogans. In fact, his determination to continue in politics after his defeat in 1945 and to toil on in office in the 1950's to the limit of health and endurance sprang from his belief that he could still "bring nearer that lasting peace which the masses of people of every race and in every land so fervently desire." The great soldier and strategist was a man of peace—and for the most simple reason—his respect, his faith, his compassion for the family of man.

His career saw headlong success and headlong catastrophe. He was at the height. He was flung to the depths. He saw his worst prophecies realized, his worst forebodings surpassed. Yet throughout it all his zest for living, gallantry of spirit, wry humor and compassion for human frailties took all firmness out of his fortitude and all pomposity out of his dedication.

Churchill's sense of the incomparable value and worth of human existence never faltered, nor the robust courage with which he lived it to the full. In the darkest hour, the land could still be bright, and for him hopes were not deceivers. It was forever fear that was the dupe. Victory at last would always lie with life and faith, for Churchill saw beyond the repeated miseries of human frailty the larger vision of mankind's "upward ascent toward his distant goal."

He used to say that he was half American and all English. But we put that right when the Congress made him an honorary citizen of his mother's native land and we shall always claim a part of him. I remember once years ago during a long visit at his country house he talked proudly of his American Revolutionary ancestors and happily of his boyhood visits to the United States. As I took my leave I said I was going back to London to speak to the English Speaking Union and asked if he had any message for them. "Yes," he said, "tell them that you bring greetings from an 'English Speaking Union.'" And I think that perhaps it was to the relations of the United Kingdom and the United States that he made his finest contribution.

In the last analysis, all the zest and life and confidence of this incomparable man sprang, I believe, not only from the rich endowment of his nature, but also from a profound and simple faith in God. In the prime of his powers, confronted with the apocalyptic risks of annihilation, he said serenely: "I do not believe that God has despaired of his children." In old age, as the honors and excitements faded, his resignation had a touching simplicity: "Only faith in a life after death in a brighter world where dear ones will meet again—only that and the measured tramp of time can give consolation."

The great aristocrat, the beloved leader, the profound historian, the gifted painter, the superb politician, the lord of language, the orator, the wit—yes, and the dedicated bricklayer—behind all of them was the man of simple faith, steadfast in defeat, generous in victory, resigned in age, trusting in a loving providence and committing his achievements and his triumphs to a higher power.

Like the patriarchs of old, he waited on God's judgment and it could be said of him—as of the immortals that went before him—that God "magnified him in the fear of his enemies and with his words he made prodigies to cease. He glorified him in the sight of kings and gave him commandments in the

sight of his people. He showed him his glory and sanctified him in his faith \* \* \*."

The PRESIDING OFFICER (Mr. BASS in the chair). Is there further morning business? If not, morning business is closed.

#### APPALACHIAN REGION DEVELOPMENT ACT OF 1965

Mr. RANDOLPH obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. MANSFIELD. Mr. President, I move that the unfinished business be laid before the Senate and made the pending business.

The motion was agreed to; and the Senate resumed the consideration of the bill S. 3, to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

Mr. RANDOLPH. Mr. President, I suggest the absence of a quorum, it being understood that I do not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, on Wednesday, January 27, I reported from the Committee on Public Works the measure, S. 3, with amendments, the bill being designated as the Appalachian Regional Development Act of 1965.

This measure would authorize \$1,092,400,000. The proposed expenditure is higher than the funds authorized in S. 2782, the legislation similar to the proposed legislation we now begin to consider, which passed the Senate on September 25, 1964, by more than a 3½-to-1 majority, the actual yea-and-nay vote being 45 to 13.

The proposed legislation presented to the 89th Congress is substantially the same as the Appalachian Redevelopment Act of 1964.

However, there are certain differences; and where there are significant features in the bill as contrasted with the bill of the previous year, it is my desire and purpose to have these features discussed thoroughly during consideration of the bill, and to have all the provisions of S. 3 made a matter for consideration during the debate.

The three significant areas in which there are changes or modifications that we believe to be improvements in S. 3 as against S. 2782 are these: Provisions for roads, for soil conservation, and for strip mine reclamation.

First, I refer to section 201, which would authorize \$840 million in Federal assistance for the construction of 2,350 miles of developmental roads and 1,000 miles of local access roads.

The change to which I direct the attention of the Senate, is an increase

from 500 miles of local access roads authorized in the bill of the previous year to 1,000 miles, authorized by the pending measure. The funds for this section remain the same as those authorized by S. 2782.

The committee has been informed that the 1,000 miles of access roads can be built within the budget of \$50 million previously allocated for 500 miles. We consider this a realistic estimate of the cost of construction for this type of road.

Let me say, in good humor that this is in reverse of the usual practice of governmental estimates for highway construction. I say this in the presence of the distinguished chairman of the Committee on Public Works, the Senator from Michigan [Mr. McNAMARA], and a former member of the Committee on Public Works, the distinguished Senator from Tennessee [Mr. GORE], that in 1961, when the report of the cost of the interstate system was presented by the Secretary of Commerce to Congress, we believed that the sum would approximate \$41 billion.

Within recent days a new estimate has come to the Congress in the amount of \$46.8 billion, an increase of \$5.8 billion beyond what was anticipated in 1961.

I believe at this point—although I did not mean to discuss this matter—we should realize that it was not only increased costs of acquisition of rights of way, but that Congress in 1963 determined that these roads, for purposes of safety and of providing for increased traffic, should be built for the traffic loads anticipated 20 years after approval of construction of the highway.

Therefore, Congress itself is chargeable, and properly so, when we are dealing in terms of safety and highways of longer life, for doing these things which have added to the expenditures of highway funds.

I mention this only because in this particular instance we find the realistic figures which allow the committee to recommend to the Senate a thousand miles of access roads where we had previously spoken in terms of only 500 miles.

Mr. President, the second feature in the pending bill which is different from S. 2782 of last year is the substitute amendment for section 203.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. RANDOLPH. I am delighted to yield to the Senator from Ohio.

Mr. LAUSCHE. The question is directed particularly to the highway system. Is the financing to be on a 100-percent basis by the Federal Government, or on a participating basis?

Mr. RANDOLPH. In reply to the Senator from Ohio, the financing of the 3,350 miles of roads is to be on the ratio of 70 percent Federal and 30 percent State participation.

To return to the substitute amendment for section 203, we retain the same funds which were authorized in Senate 3 as it was offered. However, in the Public Works Committee we have broadened the program, and it is oriented more specifically toward soil conservation, land im-



provement, and erosion and sediment controls.

I emphasize the fact that the committee amendment provides no assistance for beef raising, and it is not a pasture program. It is patterned—I am sure that if the Senator from Nebraska [Mr. HRUSKA] were in the Chamber at this time he would agree with me—on the program in the Great Plains. That is a program that has been operative for 8 years.

Mr. LAUSCHE. Mr. President, may I ask about the Great Plains program? How does the subsidization of this program by way of percentage compare with the subsidization in the Great Plains program? I believe there is a difference, and the RECORD should show it.

Mr. RANDOLPH. The Senator is correct in calling these matters to the attention of the Senate. Instead of the 50-50 participation as in the Great Plains program, in the Appalachian region we carry forward the program up to 80 percent of Federal participation.

In all these programs it is important—and this was made very clear last year—to note that a sliding scale of Federal participation not only to one section, but to all sections. In up to 80 percent of the cost applies to all of the grant programs in the bill, except in the matter of the highway programs, and where the ratio is 70-30.

Mr. LAUSCHE. I have the fear, if the contribution for soil rehabilitation is 80-20 as a maximum in Appalachia, that it will set a precedent for asking that the 50-50 relationship in the great plains be also made 80-20. Has there been any discussion of that point in committee? The danger is that the Great Plains people will say, "If you are giving 80-20 in Appalachia, why not give 80-20 in the Great Plains?"

Mr. RANDOLPH. It is important for us to realize that we bring the proposed legislation to the Senate because the need is great in that region. I do not find fault with those who believe that we should not give this added incentive to the region. I believe it to be not only a valid percentage breakdown, but also a necessary breakdown. It applies, as I stated earlier to the Senator from Ohio, to all these provisions. We are dealing in terms of the added incentive.

The Governors who testified, including Governor Sanders, of Georgia, who is chairman of the Conference of Appalachian Governors—were asked by the Senator from Hawaii [Mr. FONG], I believe—we will make the RECORD clear on this point later—"If you have these incentive programs, will you let down your efforts in all these areas which you are now carrying forward at the State level?"

Without exception, they stated what I believe to be a fact, that these programs would in no way be used to supplant the other programs; that the States would use the moneys that have been provided as an incentive to further effort by the States, I would add, because it is important for the Senator from Ohio to understand, and I am sure he does understand—that this program is not proposed for 20 years or for 10 years, but is proposed for only 2 years.

Later, I believe Congress must re-examine the program when the Appalachian Regional Commission comes back for funds after 2 fiscal years. Congress not only will have the right but also the responsibility to examine very carefully what has been done and the benefits which have been achieved.

I hope in part that statement answers the Senator's question.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. RANDOLPH. I shall yield to the distinguished Senator from Kentucky. First, I should like to say that during the hearings last year on Senate bill 2782 and this year on Senate bill 3 no member of the Committee on Public Works was more assiduous in following the proceedings and working not only for the enactment but also the improvement of the proposed legislation which we have brought before the Senate today than my cherished friend, the Senator from Kentucky [Mr. COOPER]. I wish the RECORD to show that the Senator from Kentucky was present at the hearings this year every minute that witnesses were being heard. I think that fact should be stated.

I now yield.

Mr. COOPER. Mr. President, I am glad to join with the distinguished senior Senator from West Virginia [Mr. RANDOLPH] in support of S. 3, the Appalachian Regional Development Act of 1965, as the debate begins. I must be honest in saying that I am much interested in it because my own State of Kentucky is affected, but I also believe its programs and purposes are in the national interest.

At the opening of the debate, before amendments are considered, I will comment only on its essential features. The bill as reported authorizes \$1,092.4 million for the basic development of 360 counties in 11 States of the area; \$840 million is authorized to be spent over a period of 5 years for the construction of an interstate network of 2,350 miles of primary roads and 1,000 miles of short access roads. The remainder of \$252.4 million is authorized for a 2-year period for multicounty health facilities, land improvement, better timber practices, research and rehabilitation affecting strip mining, a survey of the water resources in the region, the establishment of local development districts, and supplemental grants-in-aid for existing Federal programs such as construction of airports, small watersheds, vocational education centers, sewage facilities, libraries, and other public facilities.

I make these comments on the concept of this program.

First, while it is a regional program, it is a program of national importance. It is designed to bring, in time, this area toward parity with other more developed areas of the United States, and thus contribute to the national strength.

Second, it is not primarily a job-creating program. Its purpose is to provide the basic requirements I have outlined above—roads, health facilities, land improvement, flood protection, and water use—without which its development cannot proceed. Their provision will bring confidence to the people of the area, in-

duce greater local investment, and perhaps encourage investment from all around our country. While the programs included in the bill will provide some temporary employment, the purpose of the bill is to secure the basic development which will provide better use of the resources of the region, steady employment for its people, and thus raising the living standards and opportunities of all who live there.

Third, it is not exclusively a Federal program. It has been formulated by the States. All projects must be initiated locally or by the States, and approved by a majority of the 12-member Commission upon which the 11 Governors or their delegates sit. A substantial financial contribution to this program in addition to the leadership of local individuals will be made by the States and by local governmental bodies, and no State can secure the benefits of the bill if it fails to maintain its expenditures for the programs in the area at the average level of its expenditures in the 2 fiscal years preceding the enactment of the bill.

I live in this area, and know it well. Naturally I have local interest in its enactment, but I am sure that as the Senate considers this bill, it will find, as has the Committee on Public Works, and as did the Senate last year, that this legislation is in the national interest.

Directing particular attention to the question which the Senator from Ohio has asked, I invite the Senator's attention to Part C on page 35 of the bill under "Maintenance of Effort." Section 221 provides in part as follows:

SEC. 221. No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds, exclusive of Federal funds, for the benefit of the area within the State located in the region are maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act.

The language provides that should any State involved reduce its expenditures for programs embodied in the act, it could not enjoy the benefits of the act.

Mr. LAUSCHE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MONDALL in the chair). Does the Senator from West Virginia yield?

Mr. RANDOLPH. I yield.

Mr. LAUSCHE. So that there may be no misinterpretation, I am asking these questions to obtain information. Generally I favor the bill. But if there are inconsistencies or inequities in it, even though my State would benefit, I would not wish to approve them because such inequities or unjustified benefits which might come to Ohio would subsequently have to go to other States in order to create a general equilibrium in what is being attempted.

Mr. RANDOLPH. Yes. I understand the constructive approach of the Senator from Ohio. By the same reasoning, he would desire the benefits that come to areas in Ohio to be beneficial to his State or areas within his State, so that the strengthening of the economic



base and the well-being of the people in his State might contribute to the strengthening of the economic base and well-being of all people throughout the Nation.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield to the distinguished Senator from Louisiana.

Mr. ELLENDER. I wonder if my good friend from West Virginia would point to any program in the bill that could not be obtained under existing law by the States which would benefit through the Appalachia program.

Mr. RANDOLPH. If the Senator will turn to page 13 of the bill, it might be helpful as we continue the colloquy. Title 2 of the bill has to do with special Appalachian programs. Part A covers the new programs. Section 201(a) deals with the developmental highway system.

Mr. ELLENDER. Do we not now have laws on the statute books which would permit States to cooperate with the Federal Government in building highways wherever the department of highways of a State might designate?

Mr. RANDOLPH. We have general highway legislation, through which the Federal and State Governments cooperate in constructing primary and secondary roads and the Interstate and Defense Highway System, but roads constructed under such programs are undertaken on the criteria of traffic counts. We are now discussing developmental roads and local access roads. There is a very real difference. I am sure that while the Senator from Louisiana might not agree with what we are attempting to do, he believes that such roads would fall into a different category.

Mr. ELLENDER. It is not a question of whether I agree with what the Senator is advocating. It is the preference that the Senator would give to certain States which I fear might establish a precedent for other regions.

As I recall, the bill was first suggested because in West Virginia and other States throughout the Nation, automation had put a great many people out of work and abject poverty had resulted. The tax base of the areas affected was low. Therefore, the local people could not make a go of it.

In my own State, in the northern part of Louisiana, people in the cotton industry have been put out of business. I know many people there who need jobs as badly as coal miners in any part of West Virginia need them. In my judgment, those people would be as much entitled to assistance as are the people the Senator is trying to help in his State, Kentucky, or other areas.

I again ask the question: Is there any program proposed in the bill that could not be obtained by the respective States through an expansion of existing law?

Mr. RANDOLPH. There are these programs—

Mr. ELLENDER. Which ones?

Mr. RANDOLPH. I have named one.

Mr. ELLENDER. Does the Senator mean access roads?

Mr. RANDOLPH. Yes, and the developmental road system.

Mr. ELLENDER. That work could be undertaken by the States. It is now done by all States.

Mr. RANDOLPH. The Senator inquired whether these programs are not covered by existing law. They are not. Any program embodied in the measure before the Senate could be undertaken by any State if it had the money or the means to do it. We would place an incentive—or, if the Senator desires, we might use the word "preference"—at a ratio which is not embodied in other programs. But we are attempting to establish this program to stimulate economic activity.

As to the point of people needing help, it is true in Louisiana; people need help also in Arkansas and other States.

Mr. ELLENDER. Mississippi, Alabama, and Georgia. I am now talking about the cotton farmers.

Mr. RANDOLPH. Yes. I know what the Senator is talking about. In the Appalachian region, 9 States originally and finally 11 States have come together to undertake the program proposed. They did not do so quickly. They did it over a period of more than 4 years. The bill that we have presented did not originate in Washington, D.C. It originated with the Governors of the States. Both our former great President, Mr. Kennedy, and our great President, Mr. Johnson, brought forward the machinery through which a Federal-State commission could work. It would be a valid approach if two or more contiguous States proposed a program, and after consultation with the Governors the President should provide an authority to accomplish that end. The approach is envisioned in the proposed legislation which was presented yesterday by the distinguished chairman of the Committee on Public Works, the Senator from Michigan [Mr. McNAMARA].

In other words, if a case can be made—and I believe a case can be made for certain other regions—I think we have a responsibility, if a case can be made, to come to grips with the problems in these areas.

Mr. ELLENDER. It has been my privilege to travel through various parts of West Virginia. There is no doubt that West Virginia has areas that are in need of assistance. So has Kentucky. But to include a State like Virginia, which is one of the richest States in the Nation—

Mr. RANDOLPH. We do not bring in the whole State.

Mr. ELLENDER. But some parts of it are brought in. Virginia is well able to do its part. Ohio is well able to do its part. North Carolina can do its part.

Mr. RANDOLPH. The Governor of Ohio, not the President of the United States, has, within the last few days, asked that four counties in Ohio be added. This was not done at Washington; it was done by the Governor of Ohio, Mr. Rhodes. So there are needs in these States and they are expressed by the Governors.

Mr. ELLENDER. Why do they not proceed by forming compacts, as was demonstrated yesterday in respect to the

water pollution bill? All the States along the Ohio River have formed compacts under existing laws. They are working together; they are coordinating their efforts. It would seem to me that the same thing could be done in this instance, without having to create a Federal commission to be in charge of this operation.

Mr. RANDOLPH. This would not be a Federal commission; it would be a regional commission composed of the Governors of the participating States and a Federal cochairman.

Mr. ELLENDER. But it would be federally controlled.

Mr. RANDOLPH. No; it would not be federally controlled. There would be a partnership. I believe that expression could be supported. It is a partnership among the States and the Federal Government to construct the administrative machinery and provide the technical assistance and funds to meet the developmental needs of an area where 15 million persons live.

Mr. ELLENDER. Is it contemplated that any of the States included in the regional development will contribute to one another, or will contributions be made entirely by the Federal Government and the respective States for whatever work is done in their own States?

Mr. RANDOLPH. They will contribute one to another, through their respective contributions to the solution of regional problems.

Mr. ELLENDER. But not to another State? In other words, the whole work will be done and coordinated under the supervision of the commission?

Mr. RANDOLPH. To solve the interstate problems.

Mr. ELLENDER. I know; but does that cover everything that is to be done under the program? It even covers hospitals, does it not?

Mr. RANDOLPH. It covers the multi-county hospitals and the diagnostic and outpatient clinics as well.

I do not wish to labor this point, but there is one county in this region having a population of 12,000 persons. There is only one doctor to serve them, and he is a general practitioner, 84 years of age. Not only is there no hospital in that county; there is not even a clinic. The closest one is 55 miles away. I believe that the Senator from Louisiana would want to join to help the development in that area of adequate health facilities.

Mr. ELLENDER. If that were the only area in the country so affected, I should say yes; but many other areas are similarly situated. A bill has already been passed by the Senate to provide loans to doctors and dentists who will agree to serve in certain areas.

Mr. RANDOLPH. For those who have received Federal aid in their education.

Mr. ELLENDER. That is correct. That program is intended to meet the problems about which the Senator is now talking. That is one way to accomplish the purpose.

As I said, I have read the bill very carefully two or three times. I do not know of any program that the Commission could put into effect in cooperation with the States that could not be done today under existing law.



Preference is being shown in this bill because there has been quite a large amount of unemployment due to automation in the mines. That was the genesis of the problem, as I remember, 2 or 3 years ago. There is much unemployment there; there is no doubt about it. Congress has provided special programs for West Virginia.

Mr. RANDOLPH. Just as Congress has provided them for Louisiana and for areas of the West and Far West.

Mr. ELLENDER. Certainly. But the Appalachian area has programs in existence now; why are they not used, and expanded as necessary?

Mr. RANDOLPH. They are being used.

Mr. ELLENDER. What is here proposed is supplemental to what already exists. That is the point.

Mr. RANDOLPH. That is correct. If a disaster occurs in Louisiana, Congress steps forward and meets that problem.

Mr. ELLENDER. That is correct.

Mr. RANDOLPH. Is it any less the responsibility of Congress to step forward and to meet a problem that has been chronic over long years? If Congress is to provide relief quickly in the case of disasters resulting from hurricanes, tornadoes, or floods, has it not a responsibility to take care of a problem that has been growing?

My reply to the Senator from Louisiana is that automation was not the genesis of this problem. Appalachia has been recognized—I hesitate to say it, but it is true—as a problem region since Congress began to consider the matter in 1933.

Mr. ELLENDER. What caused the condition? I wish the Senator would tell us.

Mr. RANDOLPH. Isolation is one cause. There is a lack of roads and a lack of highways, which is what we are attempting to overcome by this legislation. That would certainly be one of the reasons for the legislation. The dieselization of our railroads and consequent loss of a large part of our coal market was another. Foreign competition with our ceramics and glass industry is another cause.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. COOPER. I should like to address myself to the question asked by the Senator from Louisiana. He called attention, at the outset of his remarks, to the road program which the bill emphasizes. It is correct that a major portion of the money which would be authorized under the bill would go to the construction of roads. As the Senator will remember, \$840 million is authorized as the Federal Government's part for the network of roads to be constructed in the 11-State area. A minimum of \$360 million would be provided by the States, if the limit of 70 percent of the funds allowed by the bill is provided by the Federal Government, with the remaining 30 percent provided by the States. So that does change the ratio from the 50-50 proportion followed in the regular Federal highway program.

I should like to tell the Senator what I believe to be the rationale of the proposal. As the Senator from West Virginia has said, this area of 11 States is marked, so far as road construction is concerned, by some problems and difficulties. I do not say that the same difficulties might not obtain in certain other regions of the United States, but I would say that the problems are peculiar to this 11-State area. First, I should like to tell the Senator what the problems are.

The first is isolation, which has continued since almost the beginning of the Republic. These areas have been isolated from the main channels of commerce and even of travel, because the mountains, while they are not the highest in this land, are made up of precipitous hills, narrow valleys, and rapid streams running through them. In addition to the rough terrain, these conditions make necessary the construction of innumerable bridges at high cost. So we have a situation in which the cost of construction of the average mile of Federal-aid highway, under the 50-50 proportion, which requires the States to contribute half, is double the cost in such great States as Missouri, Illinois, and Indiana, and parts of Ohio.

When we have our biennial bill, the Senator, who is familiar with the problems from his distinguished service as chairman of the Committee on Appropriations, and who has been very helpful, knows that money is made available to all of the States and is then apportioned to the States on certain criteria. When the money is made available to the State, the State highway commission makes its decision as to the distribution of that money in a particular State.

If I remember correctly—the State of Kentucky is receiving over \$16 million this year under the Federal aid highway program. This money, of course, does not include interstate highway program funds, but it is to be used for the construction of its primary and secondary roads, and it is to be used on a 50-50 basis. In that situation, the State would have to supply an additional \$15 million. If the State would take all of its money which is authorized to be expended for this purpose and spends it in this rough section of the State, there would be nothing left for the rest of the State, or very little at best.

If the State Commission distributes the money evenly over the State, as most State highway departments try to do, the mileage of roads which can be built in the mountainous, inaccessible areas is very small. This has been true throughout the years, and even with efforts to distribute construction money fairly and proportionately, the roads in the flat parts of my State have increased in mileage and quality, while up in the mountainous areas, very few miles of road have been constructed. That situation continues to contribute to the isolation and poverty of that area.

Long ago, I served, as county judge, and as the head of the governing body of the county, was charged with some responsibility for the road building pro-

grams. Although the responsibility was much different from the heavy burdens faced by Governors, I learned something about the cost of building roads, and the necessity for and utility of these roads.

I think no one would disagree on the proposition that there is very little chance for the development of any area unless there are means of communication. The building of roads is an essential requisite for the development of an area, and for the raising of the living standards of those people.

Perhaps years ago the Bureau of Public Roads could have developed different criteria for the distribution of its funds throughout the State. I have suggested several times that perhaps those criteria should be based upon the average cost in each State of building a mile of road. In that way they would equalize the road building construction throughout the States.

I am sure that the Senator from Ohio, the Senator from Indiana, and the Senator from Illinois would not agree to that. It would mean a reduction in the proportionate amount that their States would receive each year. But I think this approach would be fair, and it would help end the inaccessibility of particular sections of these States, and so contribute to the overall national interest by improving the economy and the living conditions.

The only way in which we can approach this problem is to provide that a larger Federal share, 70 percent, be made available for a reasonable time, as the 5 years proposed, to this area. It would give time in this area to catch up on road construction with the other areas of the 11 States and with the other States of the Union. Because of these practical and natural problems, connected with road construction, I believe the proposal is essentially fair. I have served with the Senator on committees. I know his broad knowledge of these measures concerning public works. I believe it is essential and fair to have this provision contained in the bill.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. McNAMARA. Mr. President, I think it is an important question that has been raised by the Senator from Louisiana in stating that conditions are certainly different under the programs that are now in operation. I believe the committee considered this question very carefully.

The testimony shows that this area needs certain extra assistance. Various programs have been in operation throughout the country. But, despite the existence of the programs, despite the use of the programs in the Appalachian area, the use of the programs is still insufficient. As has been stated by the Senator from West Virginia and the Senator from Kentucky, this is a long-standing area of depression. This additional information is needed. That is the reason that the Committee on Public Works made this recommendation.



Mr. RANDOLPH. Mr. President, I appreciate the comment of the distinguished chairman.

This area of the country must catch up with the country as a whole. This is not a program, except for 5 years as it relates to highways, and 2 years as to other programs. We must continue to emphasize that.

I yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, the purpose of my questions will be to get into the RECORD a comparison of what the present percentage of contributions is under the various programs in the Nation generally and what the contribution will be in the Appalachian program.

Is my understanding correct that generally throughout the country in the building of highways such as are contemplated here, the matching basis is 50 percent contributed by the Federal Government and 50 percent by the State government?

Mr. RANDOLPH. The Senator is correct.

Mr. LAUSCHE. Mr. President, under this bill, in the Appalachian region, the Federal Government would be allowed to contribute up to 70 percent, with State government putting up 30 percent?

Mr. RANDOLPH. The Senator is correct.

Mr. LAUSCHE. Mr. President, with regard to the program of rehabilitating the land, which we discussed a moment ago, the Great Plains program envisions rebuilding the land. It is especially adopted to cover the States of the Great Plains, west of the Mississippi?

Mr. RANDOLPH. The Senator is correct.

Mr. LAUSCHE. Mr. President, is my understanding correct that, with respect to those States, the Federal Government puts up 50 percent and the States 50 percent?

Mr. RANDOLPH. The Senator is correct as to the ratio.

Mr. LAUSCHE. Mr. President, with regard to Appalachia, for example, and that general type of program, the Federal Government will put up not to exceed 80 percent, with the State governments putting up 20 percent?

Mr. RANDOLPH. The Senator is correct. It should be pointed out that in the Great Plains, there is a difference in the standards from those which would be applied to the Appalachian region. In the Great Plains area, there is no acreage limitation. In the Appalachian region, the farmer who puts up 20 percent would receive 80 percent Federal grants for improving not more than 50 acres. I think it is important to point that out.

Mr. LAUSCHE. Mr. President, a third program concerns the hospital service. I do not recall what contribution is made under the Hill-Burton Act by the Federal Government as related to the money that the local people must put up in building a hospital under the Hill-Burton Act.

Mr. RANDOLPH. Fifty-fifty.

Mr. ELLENDER. No. There could be a 75-percent contribution by the Federal Government.

Mr. LAUSCHE. Under the Hill-Burton Act?

Mr. ELLENDER. Under the Hill-Burton Act.

Mr. RANDOLPH. Mr. President, the Senator from Louisiana is correct.

Mr. McNAMARA. It can go that high.

Mr. ELLENDER. Yes.

Mr. RANDOLPH. Mr. President, we are not referring primarily to hospitals in this bill, but to clinics and regional diagnostic and treatment centers.

Mr. LAUSCHE. Mr. President, what is the percentage of contribution in the building of health centers and hospitals?

Mr. RANDOLPH. Up to 80 percent in the case of clinics and diagnostic centers. We feel that there is a difference in the building of a large hospital.

Mr. LAUSCHE. Mr. President, I shall assume that under the Hill-Burton Act, unless it is indicated to the contrary, the proportionate contribution is up to 75 percent by the Federal Government and 25 percent by the local government, but that can vary.

Mr. RANDOLPH. Yes.

Mr. LAUSCHE. But under this program, it will be 80 percent as against 20 percent.

Mr. RANDOLPH. Up to 80 percent.

Mr. LAUSCHE. According to my recollection, there is no other program in which there is a matching basis for capital improvements. I refer to vocational rehabilitation, and timber. I know those items are in the bill. There is an item for sewage treatment.

Mr. RANDOLPH. Yes.

Mr. LAUSCHE. What is the item for sewage treatment?

Mr. RANDOLPH. Six million dollars for sewage treatment.

Mr. LAUSCHE. And on what basis is the participation? Is it a 100-percent program?

Mr. RANDOLPH. It could go, as in the other instances, up to 80 percent.

Mr. LAUSCHE. Under the community facilities program, is the staff assistant able to inform us what the percentage is in that program, which is separate and apart from this program? A separate law provides money for sewage disposal construction and for water services.

Mr. RANDOLPH. The community facilities program is not a grant program; that is a loan program.

Mr. LAUSCHE. So we have no other program making grants for such construction?

Mr. RANDOLPH. We have other construction programs under section 214.

Mr. LAUSCHE. What I fear is that, in spite of the argument being made today that this is a unique situation, which cannot be found elsewhere in the country, and therefore it must be dealt with uniquely, that argument will be rejected on the Senate floor, probably this week, but certainly later, when the Ozark Mountain proposal will be made and the Mesabi Range proposal will be made. I know that the Senator from Wisconsin [Mr. NELSON] already has proposals for unique treatment of six regions. How are we going to take care of those arguments?

Mr. RANDOLPH. I recall that I said on September 25, 1964, that if there were a need which could be documented for a region which had, let us assume, two or

more contiguous States, if there was a common denominator—and the Senator from Kentucky [Mr. COOPER] and I know there is a common denominator in this 11-State region—such proposal should be considered. These are investments—and I use the word advisedly—which we place into a region—not welfare expenditures merely to sustain or perpetuate existing conditions. We are not dealing with that type of program. We are dealing with the natural resources of an area, in an endeavor to strengthen the economy of the area, so that it can become prosperous and contribute not only to the local tax base but to the tax base of the Nation. All the programs which have been set forth in this legislation have been designed for that purpose, and that purpose alone.

I said last year that when the representatives of an area could make a case and document it as to its need, it was the responsibility of Congress to consider that matter. I repeat it today.

I would not foreclose any of the four or five areas mentioned by the Senator, with respect other Senators demonstrating the need for regional development programs for their respective areas. I would not foreclose them from that opportunity. I do not think the Senator from Ohio would want to foreclose the opportunity of those persons to make a case.

Mr. LAUSCHE. I thank the Senator for the answers he has given. I interrupted him just as he was about to conclude on land stabilization and was about to go into timber development.

Mr. RANDOLPH. Yes. I wish to address myself to the criticisms of the provisions with which the Senator concerned himself day before yesterday.

Mr. ELLENDER. Mr. President, before the Senator goes into that matter, will he yield?

Mr. RANDOLPH. I yield.

Mr. ELLENDER. A while ago I discussed with the Senator from West Virginia the power of the Appalachian Regional Commission. I notice on page 3 of the bill that the Commission shall require the affirmative vote of the Federal Chairman and a majority of the State representatives. Suppose a majority of the States favor a proposal and the Federal Chairman does not. What will happen?

Mr. RANDOLPH. The affirmative vote of the Federal Cochairman is required for a Commission recommendation. If the Federal Government puts up the portions of money which we have discussed—70 percent in roads and 80 percent in the other categories—it is a fiscal responsibility which we would require the Federal Government to exercise. But I return to what I said previously, that it is a partnership agreement; and the majority of the States participating need not encounter that difficulty.

Mr. ELLENDER. But the point is that this Commission would be more or less dominated by the Federal Government.

Mr. RANDOLPH. I do not believe it would be so dominated, because there would be 11 States represented through their Governors, with only one repre-



sentative of the Federal Government. I cannot believe it would be controlled by the Federal Government. I do not believe that would be true.

Mr. ELLENDER. But under the proposed act, as I understand, if the States were to be unanimous in a proposal and the Federal representative said, "No," the answer would be "No." If that is not Federal control, I do not know what is.

Mr. RANDOLPH. I do not believe that the former Commission, the President's Appalachian Regional Commission has been federally controlled. I do not think it can be said that Franklin Roosevelt, Jr., has controlled or dominated the actions which have been taken by the Governors of the respective States or their representatives.

Mr. ELLENDER. This is a departure from the way it has been done. The law provides for the States getting together and forming a compact to coordinate their efforts in certain fields; but here—

Mr. RANDOLPH. The States have asked for that in this instance.

Mr. ELLENDER. I understand. We are proposing the formation of a new commission for the purpose of coordinating the functions of the States in a certain region. Personally, I think it would be better to leave it under the States rather than to let it be dominated by the Federal Government.

Mr. RANDOLPH. We are in a changing world. I know it is easy to say that. I doubt that we can straitjacket ourselves in the pattern of yesterday and say that those methods are sufficient to take care of the problems of today or tomorrow.

I will mention to my cherished friend from Louisiana that I remember my grandfather saying to me, "Jennings, there are two sides to a question." I, frankly, cannot say that to my son. There are more than two sides to a question. There are two sides, it is true, but there are many, many more than two sides in addition. These are problems that have developed over a long period of time, and we must try to meet them, as well as the problems generated by a new technology. Their solutions require greater resources than are available to a mere compact among the States—though such a compact might well arise after this act terminates in 1971.

Mr. LAUSCHE. Is the Senator trying to say that 60 years ago I was much smarter than I am now, that I then knew all things, and I do not know them now?

Mr. RANDOLPH. Of course, we have always stated that the sophomore in college has all the answers, but the senior receives his degree, and he wonders.

Let me say that I do not appear here as an expert. I am a student of this subject, and that is all. Sometimes I think that an expert is a man who is seldom right, but never in doubt. I sometimes have doubts. Yet I feel that we are on the positive side. That is why I promised to make this proposed legislation as effective as I can. And I commend the senior Senator from Ohio for his efforts in this respect also.

(At this point Mr. MONTROYA took the chair as Presiding Officer.)

Mr. RANDOLPH. Mr. President, I address myself to two criticisms of the provision in which the Senator from Ohio [Mr. LAUSCHE] is interested. On the day before yesterday, he referred to the measure as one which would—and I quote his language:

Give to each farmer in Appalachia \$500 to increase cattle population.

I wish the Senator from Ohio were in the Chamber at this moment so that he will not misunderstand, but that statement is not correct. That interpretation is not a valid one.

The program would not do what the Senator from Ohio has stated. I believe that if he has studied the bill—and he has studied it, because he is always careful in the consideration of proposed legislation, but if he has read the committee report—and I am sure that he has looked at it—there is no justification whatsoever for the interpretation which he has placed upon this section and the language which I have just quoted.

Section 203 in the proposed legislation would provide grant assistance, up to 80 percent of the cost, for improving 50 acres. As I previously stated, in the Great Plains area there is no limitation on acreage, in accordance with a schedule to be agreed upon by the individual farmer and the Soil Conservation Service.

Such a program would include the planting of grass as well as the planting of trees, the building of ponds to contain necessary water, and the terracing of stripped areas where we can bring into being strip crops, and also maintain, at least in degree, what I call a cropland treatment for watershed development in these areas of the United States.

The second argument, or principal contention, of the Senator from Ohio against section 203 is based on the recent cuts of the Department of Agriculture in connection with the Soil Conservation Service.

This argument attacks the expenditure of funds in Appalachia when programs were cut last year. I reply that I deplore the budget cuts in soil conservation programs. I join other Senators and I am pledged to them to restore these cuts in the Soil Conservation Service.

But as I see it, this argument does not justify the elimination of a program designed to meet the needs of many years, and not merely a few years—in the Appalachian region because of our accumulation of neglect and the difficult topography. This is a common demoninator which courses from upper Pennsylvania down through Georgia and Alabama. If such logic as my dear friend from Ohio has expressed were to be applied to this entire bill—and he has said that he hopes to support the bill, or at least he says he hopes he can support the bill—we would eliminate a program on which the Senate in the previous year placed its imprint affirmatively by a vote of more than 3½ to 1.

The third charge which has been made against the pending measure, as I have listened, and as I have read, has to do

with the measure which had its concept in part in a real attempt to do away with the acidity which is coming from the mines partly now in operation, and more generally, those which are now abandoned.

The amendment offered by the two Senators from Pennsylvania [Mr. SCOTT and Mr. CLARK]—I presented it in the committee—would broaden the authority included in the legislation of the previous year in section 205, to allow the Secretary of the Interior to make grants to the States of not more than 75 percent of the cost of restoring and rehabilitating the strip-mined lands.

Approximately 75 percent of this land—some 200,000 acres—is what we can call abandoned land. It is land from which the strip mining operator has departed. He has moved on to another location. He no longer has the responsibility for the land which he was mining.

I am aware of the objections of the Senator from Ohio—he has expressed them on the floor of the Senate, and also to me in conversation—to the provisions which would come into being with an action program.

I feel that the very real needs in Appalachia—not only national needs, but also those in Appalachia—are going to be intensified.

Thus, when we think of restoration—the action program in connection with these lands—this restoration would come about as our studies determined that there were reasons why certain sections of land should be rehabilitated.

In other words, when we have the interim reports, we would recommend that work be done for certain specific areas.

Since 50 percent of the surface bituminous coal mined in the United States is in 8 of the 11 Appalachian States, I believe that the \$15 million authorized is a realistic and conservative figure. In 8 of the 11 Appalachian States, or parts of those States, 50 percent of all the surface-mined bituminous coal in the country is located.

Mr. ELLENDER. Mr. President, will the Senator from West Virginia yield?

Mr. RANDOLPH. I am glad to yield.

Mr. ELLENDER. Will the Senator tell us how the \$15 million will be used?

Mr. RANDOLPH. The \$15 million?

Mr. ELLENDER. Yes.

Mr. RANDOLPH. It would be used over a 2-year period. The language of the amendment calls for land reclamation and rehabilitation. The treatment of those areas would be for the improvement of watersheds, for recreational areas, perhaps for industrial parks as well as other uses. The details will be established by the respective States and development districts.

Mr. ELLENDER. The Senator said that there were 200,000 acres in eight States.

Mr. RANDOLPH. That is correct, approximately 200,000 acres, of which about 75 percent are so-called abandoned lands.

Mr. ELLENDER. Is that in West Virginia or in the entire region?

Mr. RANDOLPH. In the entire region.



Mr. ELLENDER. Is this land owned by individuals or corporations, or does any of it belong to the States?

Mr. RANDOLPH. It is owned by individuals, small owners who have leased their mineral rights; some of it is owned by State and local governments, some by corporations; some of it is located on the national forests, and much of it is in a tax delinquent status.

Mr. ELLENDER. In other words, the program would envision an agreement between the owners of the land, if they chose to enter into one, with the Federal Government?

Mr. RANDOLPH. The Senator is correct. The work would be done in cooperation with the Department of the Interior.

Mr. ELLENDER. The Department of the Interior?

Mr. RANDOLPH. Yes.

Mr. ELLENDER. Of course, I am glad that the Senator has brought that point up, because all these programs would be carried out under the supervision of the Federal Government.

Mr. RANDOLPH. Yes.

Mr. ELLENDER. Under the supervision of the Department of the Interior, the Department of Agriculture, the highway department, or HEW. That is what made me say a while ago that the Commission, although not composed of a majority of Federal officials, would be dominated by the Federal Government.

Mr. RANDOLPH. I understand the contention of the Senator, I do not share his concern. I know of no Member of the Senate who follows with greater interest legislation of all types, than does the Senator from Louisiana.

I have been privileged to come before the Appropriations Committee, where he has been of great understanding, help, and leadership in our flood control projects in West Virginia, as well as in other States. I appreciate that action. But to reply to the Senator's contention that this program will be federally dominated, I point out that every project must be sustained by the appropriate State member of the Commission. I believe the RECORD should indicate that fact.

Finally, Mr. President, I call attention to the criticisms which have been made against the pending measure, on the ground that it would, presumably, give preferential treatment to the Appalachian region. We have discussed this aspect in colloquies with the Senator from Louisiana and the Senator from Ohio. I feel constrained to say that S. 3 does not give preferential treatment to the Appalachian region.

I think it is necessary treatment. It is an all-out effort to meet the problems which have accumulated over the years of economic plight and neglect.

As the committee report has pointed out, the Appalachian area has 8.5 percent of our population, but is receiving less than 5 percent of the expenditures of the Federal Government, exclusive of trust funds.

Therefore the preferential treatment argument is not a bona fide argument against the bill.

I come now to S. 812, which was introduced yesterday by the Senator from Michigan [Mr. McNAMARA]. It now has 18 cosponsors with the distinguished chairman of the Public Works Committee.

The bill would provide for the establishment of regional commissions in other areas of the country. Although the Senator from Michigan is not in the Chamber, I believe the authorization figure is \$20 million, for planning. The bill is at the desk and will remain there for 6 days. It was introduced yesterday, and unanimous consent was given for it to lie at the desk for 7 days.

I say to the Senator from Michigan [Mr. HART] that hearings will be conducted expeditiously, so that other regions of the country may have their Senators appear before the Public Works Committee. In that way they will have an opportunity and responsibility—which I know they will assume—of bringing to the attention of the committee the needs of the States which they represent.

Mr. President, in conclusion I wish to say that if S. 3 becomes law, as I believe it will, 15 million persons will receive new hope in the United States. These 15 million persons have been assured that the Congress is not only intent on helping an 11-State region, but that the Congress, through the sponsorship of 35 Senators, both Democratic and Republican, will enact a measure to assist an area which has lagged behind all the other sections of the country in the general level and forward thrust of prosperity.

Mr. President, I yield the floor.

Mr. BOGGS. Mr. President, I have the deepest respect for my colleagues from the area of Appalachia, and for that reason it is with some reluctance that I speak out against S. 3, the Appalachia bill. I hold them all in the highest regard, and it is my pleasure to serve on committee with some of them.

But my conviction that the bill represents a far-reaching and dangerous precedent, one which will open the floodgates for countless segments of the United States to come in—region after region, or six at a time, as has been suggested already here—and ask the Federal Government for additional and special Federal aid, leaves me no choice but to make these few remarks.

It is not necessary to spell out in detail the predictable sequence if this bill is passed. One after another we will have other areas presenting similar plans, and votes may be cast with a conscious regard for the need for mutual support of these programs. There will be no stopping the procession of programs of more or less value. The bulk of the country, I expect, will eventually be involved in one regional plan or another. These plans might well operate at cross purposes as they seek to develop one region in competition with another. In considering Appalachia we simply have not looked far enough ahead to what its passage could mean to the country.

In expressing this opposition to S. 3 I do not want to be misunderstood on two points.

First, my position is taken without passing on the merits or demerits of the situation in Appalachia or the situation in any other regions of the United States which may be interested in additional and special Federal economic aid. I have a deep sympathy for the problems of Appalachia and of all other underdeveloped areas of this country.

Second, I support the regional concept for attacking problems—and realize that this is a good and sound approach—beyond the scope or control of a single State. The Delaware River Basin compact, which I supported and worked for years ago, is an example of a group of States banding together to meet a common problem, and in conjunction with the Federal Government, I might add.

With these points emphasized, my opposition to the present bill, and similar bills which may follow, is based on the lack of an effective "needs test," as well as a conviction that there is a better alternative to meeting regional problems, an alternative which would be of greater long-range benefit to the States and to the Federal Government as well.

This needs test could be met by States forming regional compacts. As legal entities they could pool common resources to meet common problems. After a regional compact of States had planned together, and worked together on a development program, it would then be appropriate for the region to come to the Federal Government for supplementary assistance if the resources of the region still fell short of what was needed to develop the region economically.

If this procedure, or something similar to it is not followed, there will be a gushing of Federal funds with only minimal restraints.

Passage of the Appalachia bill, along with the buildup of other areas poised to apply for similar additional and special Federal aid, would, in my opinion, be bound to create the biggest long-rolling opportunity ever conceived. Easy Federal money would be within the reach of region after region.

I say this with no thought of disparaging the judgment of my colleagues, but I think they will agree with me that my comment is only an expression of obvious political fact.

My position comes down to this.

Do the Governors and legislatures of the States concerned need assistance acutely enough to organize into compacts and thus show the Federal Government that help is being asked only after the region's resources have been utilized to the fullest extent possible in meeting the region's needs?

If the regions do not want to exert themselves to this extent to pool their own resources for their own benefit, it would seem that they do not have reasonable grounds for asking the Federal Government for additional and special economic aid.

Mr. RANDOLPH. Mr. President, I compliment the distinguished Senator from Delaware on his attendance at the committee hearings on the proposed legislation. I know that his individual views filed with the majority report re-



flect his considered judgment on the question.

I hesitate to say what I shall now say. I thought to make the statement last autumn. In remarking about certain States—and I know he was thinking of West Virginia—the Senator from Delaware said that they receive more money from the Federal Government than they pay into the Federal Government. He will recall his remarks in that instance.

I remind him that the wealth which is drawn out of West Virginia contributes to the wealth of corporations doing business in West Virginia but which have their corporate bodies in the State of Delaware. Delaware looks good with the tax returns of corporations incorporated in Delaware. But the money earned by those corporations was made in West Virginia. Yet often the credit comes to the corporation incorporated in another jurisdiction.

I must make that statement in defense of States like West Virginia, which contribute their wealth to the Nation; and yet sometimes we forget that those States do not have the benefit of the tax returns of corporate bodies which reflect the profit which has come from the resources—timber, coal, oil, gas, and so forth—in a State like West Virginia.

Mr. BOGGS. Mr. President, will the Senator yield?

Mr. RANDOLPH. I wish to speak for one further moment, then I shall be happy to yield.

The Senator spoke about the Governors and the possibility of compacts between the States. I remember that the Senator from Delaware asked Governor Scranton the following question:

You have no reservations in your mind as a Governor that this is superimposing the national concept on our Federal-State concept?

Governor Scranton replied:

May I say to you, sir, that from the beginning we have tried very hard in our efforts.

Incidentally, if you will let me digress, I have two of the State officials most interested in this with me today, the secretary of commerce, Mr. Tabor, and Mr. Amann in his department, who have worked very closely with the Federal Government, and may I say very amiably and in very good concert on this matter.

We have from the beginning tried to inject the responsibility of the States into this program.

I wish the RECORD to reflect the opinion of the Governor from the Commonwealth of Pennsylvania who has given the subject thorough consideration and who has participated in the conference of Appalachian Governors over a period of years. He has wrestled with the problem. I do not believe he ran to Washington, D.C.; I do not believe he came in for the logrolling of which the Senator has spoken. I think he came because he felt that there was a real need which had to be met by the partnership of the States and the Federal Government.

Mr. BOGGS. Mr. President, will the distinguished Senator from West Virginia yield?

Mr. RANDOLPH. I am delighted to yield.

Mr. BOGGS. First, I thank him for his generous remarks. I could not be happier or more privileged to serve on a committee than I am to serve on the Committee on Public Works with my good friend from West Virginia, whom I hold in the highest esteem. I always find it a pleasure to work with him. I understand his dedication, his interest, and his hard work in support of the bill, about which I know he has strong convictions because it means so much to his area.

Mr. RANDOLPH. I thank the Senator from Delaware.

Mr. BOGGS. I wish to comment, first, about the wealth of resources of his great State of West Virginia. I have many friends in his State. My own daughter goes to college in West Virginia.

Mr. RANDOLPH. What is the name of the institution?

Mr. BOGGS. It is Bethany College. We visit there quite often. We love all the people we have had the privilege and pleasure of meeting.

Mr. RANDOLPH. That institution of learning is presided over by Dr. Perry Gresham.

Mr. BOGGS. He is one of the greatest among our educators.

Mr. RANDOLPH. He is one of the greatest educators in the country. The denominational background of Bethany is the Disciples of Christ, which includes in its membership the distinguished President of the United States.

Mr. BOGGS. That is correct; and we are very proud of that, too.

But we are also aware of the great natural resources, as well as the human resources, of West Virginia. I am happy that corporations that may be incorporated in the State of Delaware may also have offices in the State of West Virginia and have facilities and plants to create employment and work in that great State.

That proves the point I am trying to make concerning the needs test and the formalizing of a compact. It sounds difficult until we get to the point; then it is not difficult.

This area is rich in natural and human resources; there is no question about it. But it has not been pulled together as a region and the great human and natural resources planned for use and development as a region. It has not been put together, as it could be under the finalizing of a compact entity and the promotion and capitalization on the region's resources.

Consider the great wealth of the Commonwealth of Pennsylvania. I was amazed when I learned from the distinguished Governor of Pennsylvania that, geographically speaking, three-fourths of Pennsylvania would be in the compact. In the great State of Maryland, as I understand, only three counties would be in it.

But in all of this great area, all the way down to the great State of Alabama, there are tremendous natural and human resources in areas of great wealth and potential for development. To capitalize on them and use effectively the resources that are already there would require the formalizing of a compact legal entity for planning, operation, and promotion.

That is as clear as anything in my mind. It is simple. It can be done and can be made effective. Then, where supplemental Federal economic assistance was needed, Congress, in my judgment, would be most willing to go along and have no reservations or regrets about it.

I have no further comments at this time.

Mr. MILLER. Mr. President, I was hoping to have the attention of the distinguished Senator from West Virginia, but I observe that he is not in the Chamber at the moment. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MILLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MILLER. Mr. President—

Mr. RANDOLPH. Mr. President, before the Senator proceeds, will he yield to allow me to make a unanimous-consent request?

Mr. MILLER. I yield.

Mr. RANDOLPH. I should have made the request at the end of my own remarks. I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill, as amended, be treated as original text for the purpose of further consideration and amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 2, line 23, after the word "is", to strike out "the greatest" and insert "a significant"; on page 8, at the beginning of line 15, to strike out "Commission" and insert "Commission, his staff,"; on page 10, line 4, after the word "such", to insert "a central and appropriate"; on page 11, at the beginning of line 5, to strike out "inspection." and insert "inspection, and for the purpose of audit and examination by the Comptroller General or his duly authorized representatives."; on page 13, line 20, after the word "region", to strike out "(not to exceed a total of three thousand three hundred and fifty miles in length of which total not to exceed one thousand miles shall be local access roads that will serve specific recreational, residential, commercial, industrial, or other like facilities or will facilitate a school consolidation program)" and insert "(the length of which shall not exceed two thousand three hundred and fifty miles. In addition thereto, there are authorized to be constructed not in excess of one thousand miles of local access roads, that will serve specific recreational, residential, commercial, industrial, or other like facilities or will facilitate a school consolidation program)"; on page 14, line 15, after the word "highway", to strike out "system." and insert "system, and the local access roads."; on page 17, after line 18, to strike out:

"LAND IMPROVEMENT AND EROSION CONTROL

"SEC. 203. (a) In order to promote the conservation and fuller utilization of the region's important land and water resources, the Secretary of Agriculture is authorized to make grants to landowners to assist in the improvement and development of land for pasture and erosion control in the region. Grants to any landowner under this section shall not exceed 80 per centum of the cost



of improving and developing twenty-five acres of land owned by such landowner. Such improvement and development of land shall be carried out under the provisions of an agreement to be entered into by the landowner and the Secretary of Agriculture, for such period not to exceed ten years as the Secretary may determine, which shall include such terms and conditions as the Secretary may deem necessary to effectuate the purposes of this section and to assure that such improvement and development of land will be properly established, and adequately maintained during the period of agreement, in accordance with technically sound standards and procedures."

And, in lieu thereof, to insert:

**"LAND STABILIZATION, CONSERVATION, AND  
EROSION CONTROL**

"SEC. 203. (a) In order to provide for the control and prevention of erosion and sediment damages in the Appalachian region and to promote the conservation and development of the soil and water resources of the region, the Secretary of Agriculture is authorized to enter into agreements of not more than ten years with landowners, operators, and occupiers, individually or collectively, in the Appalachian region determined by him to have control for the period of the agreement of the lands described therein, providing for land stabilization, erosion and sediment control, and reclamation through changes in land use, and conservation treatment including the establishment of practices and measures for the conservation and development of soil, water, woodland, wildlife, and recreation resources.

"(b) The landowner, operator, or occupier shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the appropriate and safe land uses and conservation treatment mutually agreed by the Secretary and the landowner, operator, or occupier to be needed on the lands for which the plan was prepared.

"(c) Such plan shall be incorporated in an agreement under which the landowner, operator, or occupier shall agree with the Secretary of Agriculture to carry out the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

"(d) In return for such agreement by the landowner, operator, or occupier the Secretary of Agriculture shall be authorized to furnish financial and other assistance to such landowner, operator, or occupier in such amounts and subject to such conditions as the Secretary determines are appropriate and in the public interest for the carrying out of the land uses and conservation treatment set forth in the agreement: *Provided*, That grants hereunder shall not exceed 80 per centum of the cost of carrying out such land uses and conservation treatment on fifty acres of land occupied by such owner, operator, or occupier.

"(e) The Secretary of Agriculture may terminate any agreement with a landowner, operator, or occupier by mutual agreement if the Secretary determines that such termination would be in the public interest, and may agree to such modification of agreements previously entered into hereunder as he deems desirable to carry out the purposes of this section or to facilitate the practical administration of the program authorized herein.

"(f) Notwithstanding any other provision of law, the Secretary of Agriculture, to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allot-

ment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (2) surrender of any such history and allotments.

"(g) The Secretary of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section."

On page 20, at the beginning of line 25, to strike out "(b)" and insert "(h)"; on page 21, at the beginning of line 10, to strike out "(c)" and insert "(i)"; on page 22, line 18, after the word "products", to insert a comma and "or for physical consolidation of small timber holdings authorized by (1) (B) above except for the establishment of demonstration units"; on page 23, after line 2, to strike out:

"(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines in accordance with the provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.) without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formations, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act."

And, in lieu thereof, to insert:

"(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines, and to reclaim and rehabilitate existing strip and surface mine areas, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act."

On page 24, line 25, after the word "thereof", to strike out "Strip mine restoration projects shall be carried out only on lands, public or private, on which there is provided access and use by the public to assure an adequate public benefit." and insert "Projects shall be approved for assistance under subsection (a) only where expected public benefits are found to justify estimated Federal and State costs; access to and use of restored lands by the public is provided where appropriate steps are taken, including, in appropriate cases, requirement for contributions to the cost of the project, which are adequate in the judgment of the Secretary to assure that individual property owners or mine operators do not receive undue financial benefits from the project. In selecting projects for financial assistance, priority shall be given to those projects which are shown to be part of the development or implementation of a State program giving reasonable promise of obtaining a permanent solution of the problem dealt with."; on page 28, line 10, after the word "exceed", to strike out "\$21,500,000" and insert "\$36,500,000"; on page 32, line 20, after "following:", to insert "to States participating in planning for Appalachian regional programs, for expenses incurred in the course of such planning"; on page 34, line 15, after the word "of", to strike out "1965." and insert "1965; National Defense Education Act of 1958."; on page 36, line 4, after the word "program", to insert "and projects"; in line 7, after the word "program", to insert "and projects"; in line 10, after the word "program", to insert "and projects"; in line 11, after the word "program", to insert "and projects"; on page 37, line 1, after the word "have", to strike out "the greatest" and insert "a significant";

in line 17, after "(b)", to strike out "Nothing in this Act shall authorize any assistance" and insert "No financial assistance shall be authorized"; in line 21, after the word "working", to strike out "capital;" and insert "capital, or other industrial facilities or to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors."; on page 39, after line 23, to insert; "(b) Recipients of Federal assistance under the provisions of this section shall, in accordance with regulations to be promulgated by the Secretary of Commerce, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the Secretary of Commerce. The records of the recipient shall be available for audit with respect to such grants by the Secretary of Commerce and the Comptroller General, or their duly authorized representatives."

On page 40, at the beginning of line 8, to strike out "(b)" and insert "(c)"; on page 41, line 10, after the word "exceed", to strike out "\$237,200,000" and insert "\$252,400,000"; on page 42, line 11, after the word "Jefferson", to insert "Lauderdale."; on page 43, line 15, after the word "Brown", to insert "Carroll."; in the same line, after the word "Clermont", to insert "Coshocton."; in line 16, after the word "Hocking", to insert "Holmes."; and in line 18, after the word "Scioto", to insert "Tuscarawas."; so as to make the bill read:

*"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the 'Appalachian Regional Development Act of 1965'.*

**"Findings and Statement of Purpose**

"SEC. 2. The Congress hereby finds and declares that the Appalachian region of the United States, while abundant in natural resources and rich in potential, lags behind the rest of the Nation in its economic growth and that its people have not shared properly in the Nation's prosperity. The region's uneven past development, with its historical reliance on a few basic industries and a marginal agriculture, has failed to provide the economic base that is a vital prerequisite for vigorous, self-sustaining growth. The State and local governments and the people of the region understand their problems and have been working and will continue to work purposefully toward their solution. The Congress recognizes the comprehensive report of the President's Appalachian Regional Commission documenting these findings and concludes that regionwide development is feasible, desirable, and urgently needed. It is, therefore, the purpose of this Act to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis. The public investments made in the region under this Act shall be concentrated in areas where there is a significant potential for future growth, and where the expected return on public dollars invested will be the greatest. The States will be responsible for recommending local and State projects, within their borders, which will receive assistance under this Act. As the region obtains the needed physical and transportation facilities and develops its human resources, the Congress expects that the region will generate a diversified industry, and that the region will then be able to support itself, through the workings of a strengthened free enterprise economy.



"TITLE I—THE APPALACHIAN REGIONAL COMMISSION

"Membership and Voting

"SEC. 101. (a) There is hereby established an Appalachian Regional Commission (hereinafter referred to as the 'Commission') which shall be composed of one Federal member, hereinafter referred to as the 'Federal Cochairman', appointed by the President by and with the advice and consent of the Senate, and one member from each participating State in the Appalachian region. The Federal Cochairman shall be one of the two Cochairmen of the Commission. Each State member may be the Governor, or his designee, or such other person as may be provided by the law of the State which he represents. The State members of the Commission shall elect a Cochairman of the Commission from among their number.

"(b) Except as provided in section 105, decisions by the Commission shall require the affirmative vote of the Federal Cochairman and of a majority of the State members (exclusive of members representing States delinquent under section 105). In matters coming before the Commission, the Federal Cochairman shall, to the extent practicable, consult with the Federal departments and agencies having an interest in the subject matter.

"(c) Each State member shall have an alternate, appointed by the Governor or as otherwise may be provided by the law of the State which he represents. The President, by and with the advice and consent of the Senate, shall appoint an alternate for the Federal Cochairman. An alternate shall vote in the event of the absence, death, disability, removal, or resignation of the State or Federal representative for which he is an alternate.

"(d) The Federal Cochairman shall be compensated by the Federal Government at level IV of the Federal Executive Salary Schedule of the Federal Executive Salary Act of 1964. His alternate shall be compensated by the Federal Government at not to exceed the maximum scheduled rate for grade GS-18 of the Classification Act of 1949, as amended, and when not actively serving as an alternate for the Federal Cochairman shall perform such functions and duties as are delegated to him by the Federal Cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by the law of such State.

"Functions of the Commission

"SEC. 102. In carrying out the purposes of this Act, the Commission shall—

"(1) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region.

"(2) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

"(3) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region;

"(4) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation;

"(5) encourage the formation of local development districts;

"(6) encourage private investment in industrial, commercial, and recreational projects;

"(7) serve as a focal point and coordinating unit for Appalachian programs;

"(8) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences; and

"(9) advise the Secretary of Commerce on applications for grants for administrative expenses to local development districts.

"Recommendations

"SEC. 103. The Commission may, from time to time, make recommendations to the President and to the State Governors and appropriate local officials with respect to—

"(1) the expenditure of funds by Federal, State, and local departments and agencies in the region in the fields of natural resources, agriculture, education, training, health and welfare, and other fields related to the purposes of this Act; and

"(2) such additional Federal, State, and local legislation or administrative actions as the Commission deems necessary to further the purposes of this Act.

"Liaison Between Federal Government and the Commission

"SEC. 104. The President shall provide effective and continuing liaison between the Federal Government and the Commission and a coordinated review within the Federal Government of the plans and recommendations submitted by the Commission pursuant to sections 102 and 103.

"Administrative Expenses of the Commission

"SEC. 105. (a) For the period ending on June 30 of the second full Federal fiscal year following the date of enactment of this Act, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid equally by the Federal Government and the States in the region. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

"(b) Not to exceed \$2,200,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

"Administrative Powers of Commission

"SEC. 106. To carry out its duties under this Act, the Commission is authorized to—

"(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions.

"(2) appoint and fix the compensation of an executive director and such other personnel as may be necessary to enable the Commission to carry out its functions, except that such compensation shall not exceed the salary of the alternate to the Federal Cochairman on the Commission as provided in section 101. No member, alternate, officer, or employee of the Commission, other than the Federal Cochairman on the Commission, his staff, and his alternate and Federal employees detailed to the Commission under paragraph (3) shall be deemed a Federal employee for any purpose.

"(3) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the Commission such personnel within his administrative jurisdiction as the Commission may need for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status.

"(4) arrange for the services of personnel from any State or local government or any

subdivision or agency thereof, or any intergovernmental agency.

"(5) make arrangements, including contracts, with any participating State government for inclusion in a suitable retirement and employee benefit system of such of its personnel as may not be eligible for, or continue in, another governmental retirement or employee benefit system, or otherwise provide for such coverage of its personnel. The Civil Service Commission of the United States is authorized to contract with the Commission for continued coverage of Commission employees, who at date of Commission employment are Federal employees, in the retirement program and other employee benefit programs of the Federal Government.

"(6) accept, use, and dispose of gifts or donations of services or property, real, personal, or mixed, tangible or intangible.

"(7) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

"(8) maintain a temporary office in the District of Columbia and establish a permanent office at such a central and appropriate location as it may select and field offices at such other places as it may deem appropriate.

"(9) take such other actions and incur such other expenses as may be necessary or appropriate.

"Information

"SEC. 107. In order to obtain information needed to carry out its duties, the Commission shall—

"(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable, a Cochairman of the Commission, or any member of the Commission designated by the Commission for the purpose, being hereby authorized to administer oaths when it is determined by the Commission that testimony shall be taken or evidence received under oath;

"(2) arrange for the head of any Federal, State, or local department or agency (who is hereby so authorized to the extent not otherwise prohibited by law) to furnish to the Commission such information as may be available to or procurable by such department or agency; and

"(3) keep accurate and complete records of its doings and transactions which shall be made available for public inspection, and for the purpose of audit and examination by the Comptroller General or his duly authorized representatives.

"Personal Financial Interests

"SEC. 108. (a) Except as permitted by subsection (b) hereof, no State member or alternate and no officer or employee of the Commission shall participate personally and substantially as member, alternate, officer, or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization (other than a State or political subdivision thereof) in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Any person who shall violate the provisions



of this subsection shall be fined not more than \$10,000, or imprisoned not more than two years, or both.

"(b) Subsection (a) hereof shall not apply if the State member, alternate, officer, or employee first advises the Commission of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter and makes full disclosure of the financial interest and receives in advance of a written determination made by the Commission that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Commission may expect from such State member, alternate, officer, or employee.

"(c) No State member or alternate shall receive any salary, or any contribution to or supplementation of salary for his services on the Commission from any source other than his State. No person detailed to serve the Commission under authority of paragraph (4) of section 106 shall receive any salary or any contribution to or supplementation of salary for his services on the Commission from any source other than the State, local, or intergovernmental department or agency from which he was detailed or from the Commission. Any person who shall violate the provisions of this subsection shall be fined not more than \$5,000, or imprisoned not more than one year, or both.

"(d) Notwithstanding any other subsection of this section, the Federal Cochairman and his alternate on the Commission and any Federal officers or employees detailed to duty with it pursuant to paragraph (3) of section 106 shall not be subject to any such subsection but shall remain subject to sections 202 through 209 of title 18, United States Code.

"(e) The Commission may, in its discretion, declare void and rescind any contract, loan, or grant of or by the Commission in relation to which it finds that there has been a violation of subsection (a) or (c) of this section, or any of the provisions of sections 202 through 209, title 18, United States Code.

#### "TITLE II—SPECIAL APPALACHIAN PROGRAMS

##### "Part A—New programs

#### "Appalachian Development Highway System

"SEC. 201. (a) The Secretary of Commerce (hereafter in this section referred to as the "Secretary") is authorized to assist in the construction of an Appalachian development highway system serving the Appalachian region (*the length of which shall not exceed two thousand three hundred and fifty miles. In addition thereto, there are authorized to be constructed not in excess of one thousand miles of local access roads, that will serve specific recreational, residential, commercial, industrial, or other like facilities or will facilitate a school consolidation program*). The system, in conjunction with the Interstate System and other Federal-aid highways in the region will provide a highway system which will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access. The provisions of title 23, United States Code, that are applicable to Federal-aid primary highways, and which the Secretary determines are not inconsistent with this Act, shall apply to the Appalachian development highway system, and the local access roads.

"(b) As soon as feasible, the Commission shall submit to the Secretary its recommendations with respect to (1) the general corridor location and termini of the development highways, (2) the designation of local access roads to be constructed, (3) priorities for construction of the local access roads and of the major segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such recommendations, he shall have obtained the

recommendations of the State highway department of the State which he represents.

"(c) The Secretary shall have authority to approve in whole or in part such recommendations or to require modifications or revisions thereof. In no event shall the Secretary approve any recommendations for any construction which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriation authorizations in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and shall be required to be maintained by the State.

"(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of mineral resource materials indigenous to the Appalachian region.

"(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

"(f) Federal assistance to any construction project under such project, unless the Secretary determines, pursuant to the recommendation of the Commission, that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

"(g) To carry out this section, there is hereby authorized to be appropriated \$840,000,000.

#### "Demonstration Health Facilities

"SEC. 202. (a) In order to demonstrate the value of adequate health and medical facilities to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction, equipment, and operation of multicounty demonstration health facilities, including hospitals, regional health diagnostic and treatment centers, and other facilities necessary to health. Grants for such construction (including initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291-291z) and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), without regard to any provisions therein relating to appropriation authorization ceiling or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant under this section for construction (including initial equipment) shall exceed 80 per centum of the cost of the project. Not to exceed \$41,000,000 of the funds authorized in section 401 shall be available for construction grants under this section.

"(c) Grants under this section for operation (including equipment other than initial equipment) of a project may be made up to 100 per centum of the costs thereof for the two-year period beginning on the first day such project is in operation as a health facility. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grants for operation of a project shall be made after five years following the commencement of such operations. Not to exceed \$28,000,000 of the funds authorized in section 401 of this Act shall be available for operating grants under this section.

#### "Land stabilization, conservation, and erosion control

"SEC. 203. (a) In order to provide for the control and prevention of erosion and sedi-

ment damages in the Appalachian region and to promote the conservation and development of the soil and water resources of the region, the Secretary of Agriculture is authorized to enter into agreements of not more than ten years with landowners, operators, and occupiers, individually or collectively, in the Appalachian region determined by him to have control for the period of the agreement of the lands described therein, providing for land stabilization, erosion and sediment control, and reclamation through changes in land use, and conservation treatment including the establishment of practices and measures for the conservation and development of soil, water, woodland, wildlife, and recreation resources.

"(b) The landowner, operator, or occupier shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the appropriate and safe land uses and conservation treatment mutually agreed by the Secretary and the landowner operator, or occupier to be needed on the lands for which the plan was prepared.

"(c) Such plan shall be incorporated in an agreement under which the landowner, operator, or occupier shall agree with the Secretary of Agriculture to carry out the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

"(d) In return for such agreement by the landowner, operator, or occupier the Secretary of Agriculture shall be authorized to furnish financial and other assistance to such landowner, operator, or occupier in such amounts and subject to such conditions as the Secretary determines are appropriate and in the public interest for the carrying out of the land uses and conservation treatment set forth in the agreement: *Provided*, That grants hereunder shall not exceed 80 per centum of the cost of carrying out such land uses and conservation treatment on fifty acres of land occupied by such owner, operator, or occupier.

"(e) The Secretary of Agriculture may terminate any agreement with a landowner, operator, or occupier by mutual agreement if the Secretary determines that such termination would be in the public interest, and may agree to such modification of agreements previously entered into hereunder as he deems desirable to carry out the purposes of this section or to facilitate the practical administration of the program authorized herein.

"(f) Notwithstanding any other provision of law, the Secretary of Agriculture, to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (2) surrender of any such history and allotments.

"(g) The Secretary of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section.

"(h) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service, and the State and local committees provided for in section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(b)), and is authorized to utilize the facilities, services, and authorities of the Commodity Credit Corporation. The Corporation shall not make any expenditures to carry out the provisions of this subsection unless funds specifically appropriated for such purpose have been transferred to it.



"(i) Not to exceed \$17,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### "Timber Development Organizations

"SEC. 204. (a) In order that the region shall more fully benefit from the timber stands that are one of its prime assets, the Secretary of Agriculture is authorized to—

"(1) provide technical assistance in the organization and operation, under State law, of private timber development organizations having as their objective the carrying out of timber development programs to improve timber productivity and quality, and increase returns to landowners through establishment of private nonprofit corporations, which on a self-supporting basis may provide (A) continuity of management, good cutting practices, and marketing services, (B) physical consolidation of small holdings or administrative consolidation for efficient management under long-term agreement, (C) management of forest lands, donated to the timber development organizations for demonstrating good forest management, on a profitable and taxpaying basis, and (D) establishment of a permanent fund for perpetuation of the work of the corporations to be composed of donations, real or personal, for educational purposes.

"(2) provide not more than one-half of the initial capital requirements of such timber development organizations through loans under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1926 et seq.). Such loans shall not be used for the construction or acquisition of facilities for manufacturing, processing, or marketing forest products, or for physical consolidation of small timber holdings authorized by (1)(B) above except for the establishment of demonstration units.

"(b) Not to exceed \$5,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### "Mining Area Restoration

"SEC. 205. (a) In order to further the economic development of the region by rehabilitating areas presently damaged by deleterious mining practices, the Secretary of the Interior is authorized to—

"(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines, and to reclaim and rehabilitate existing strip and surface mine areas, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formations, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act.

"(2) plan and execute projects for extinguishing underground and outcrop mine fires in the region in accordance with the provisions of the Act of August 31, 1954 (30 U.S.C. 551 et seq.), without regard to any provisions therein relating to annual appropriation authorization ceilings. Grants under this paragraph shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act.

"(3) expand and accelerate fish and wildlife restoration projects in the region in accordance with the provisions of the Act of September 2, 1937 (16 U.S.C. 669 et seq.), and the Act of August 9, 1950 (16 U.S.C. 777 et seq.), without regard to any provisions therein relating to apportionments among the States and to limitations on the availability of funds. The expenses of projects under this paragraph shall be paid solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not taken into account in the computation of

the apportionments among the States pursuant to any other provisions of law.

"(b) For the fiscal years 1966 and 1967, notwithstanding any other provision of law, the Federal share of mining area restoration projects carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. Projects shall be approved for assistance under subsection (a) only where expected public benefits are found to justify estimated Federal and State costs; access to and use of restored lands by the public is provided where appropriate steps are taken, including, in appropriate cases, requirement for contributions to the cost of the project, which are adequate in the judgment of the Secretary to assure that individual property owners or mine operators do not receive undue financial benefits from the project. In selecting projects for financial assistance, priority shall be given to those projects which are shown to be part of the development or implementation of a State program giving reasonable promise of obtaining a permanent solution of the problem dealt with.

"(c) The Congress hereby declares its intent to provide for a study of a comprehensive, long-range program for the purpose of reclaiming and rehabilitating strip and surface mining areas in the United States. To this general end, the Secretary of the Interior shall, in full cooperation with the Secretary of Agriculture, the Tennessee Valley Authority, and other appropriate Federal, State, and local departments and agencies, and with the Commission, make a survey and study of strip and surface mining operations and their effects in the United States. The Secretary of the Interior shall submit to the President his recommendations for a long-range comprehensive program for reclamation and rehabilitation of strip and surface mining areas in the United States and for the policies under which the program should be conducted, and the President shall submit these to the Congress, together with his recommendations, not later than July 1, 1967. By July 1, 1966, the Secretary shall make an interim report to the Commission summarizing his findings to that date on those aspects of strip and surface mining operations in the region that are most urgently in need of attention. Such study and recommendations shall include, but not be limited to, a consideration of the following matters—

"(1) the nature and extent of strip and surface mining operations in the United States and the conditions resulting therefrom;

"(2) the ownership of the real property involved in strip and surface mining operations;

"(3) the effectiveness of past actions by States or local units of government to remedy the adverse effects of strip and surface mining operation by financial or regulatory measures, and requirements for appropriate State legislation, including adequate enforcement thereof, to provide for proper reclamation and rehabilitation of areas which may be strip and surface mined in the future.

"(4) the public interest in and public benefits which may result from reclamation, rehabilitation, and appropriate development and use of areas subjected to strip and surface mining operations, including (A) economic development growth, (B) public recreation, (C) public health and safety, (D) water pollution, stream sedimentation, erosion control, and flood control, (E) highway programs, (F) fish and wildlife protection and restoration, (G) scenic values, and (H) forestry and agriculture;

"(5) the appropriate roles of Federal, State, and private interests in the reclamation and rehabilitation of strip and surface mining

areas and the relative costs to be borne by each, including specific consideration of (A) the extent, if any, to which strip and surface mine operators are unable to bear the cost of remedial action within the limits imposed by the economics of such mining activity, and (B) the extent to which the prospective value of lands and other natural resources, after remedial work has been completed, would be inadequate to justify the landowners doing the remedial work at their expense; and

"(6) the objectives and the total overall costs of a program for accomplishing the reclamation and rehabilitation of existing strip and surface mining areas in the United States, giving adequate consideration to (A) the economic benefits in relation to costs, (B) the prevention of future devastation of reclaimed and rehabilitated areas, (C) the avoidance of unwarranted financial gain to private owners of improved property, and (D) the types of aid required to accomplish such reclamation and rehabilitation.

"(d) Not to exceed \$36,500,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### "Water Resource Survey

"SEC. 206. (a) The Secretary of the Army is hereby authorized and directed to prepare a comprehensive plan for the development and efficient utilization of the water and related resources of the Appalachian region, giving special attention to the need for an increase in the production of economic goods and services within the region as a means of expanding economic opportunities and thus enhancing the welfare of its people, which plan shall constitute an integral and harmonious component of the regional economic development program authorized by this Act.

"(b) This plan may recommend measures for the control of floods, the regulation of the rivers to enhance their value as sources of water supply for industrial and municipal development, the generation of hydroelectric power, the prevention of water pollution by drainage from mines, the development and enhancement of the recreational potentials of the region, the improvement of the rivers for navigation where this would further industrial development at less cost than would the improvement of other modes of transportation, the conservation and efficient utilization of the land resource, and such other measures as may be found necessary to achieve the objectives of this section.

"(c) To insure that the plan prepared by the Secretary of the Army shall constitute a harmonious component of the regional program, he shall consult with the Commission and the following: the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Health, Education, and Welfare, the Secretary of the Interior, the Tennessee Valley Authority, and the Federal Power Commission.

"(d) The plan prepared pursuant to this section shall be submitted to the Commission. The Commission shall submit the plan to the President with a statement of its views, and the President shall submit the plan to the Congress with his recommendations not later than December 31, 1968.

"(e) The Federal agencies referred to in subsection (c) of this section are hereby authorized to assist the Secretary of the Army in the preparation of the plan authorized by this section, and the Secretary of the Army is authorized to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to the preparation of this plan and on such terms as he may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.



"(f) The plan to be prepared by the Secretary of the Army pursuant to this section shall also be coordinated with all comprehensive river basin plans heretofore or hereafter developed by United States study commissions, interagency committees, or similar planning bodies, for those river systems draining the Appalachian region.

"(g) Not to exceed \$5,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

*"Part B—Supplementations and modifications of existing programs*

*"Vocational Education Facilities*

"SEC. 211. (a) In order to provide basic facilities to give the people of the region the training and education they need to obtain employment, the Secretary of Health, Education, and Welfare is authorized to make grants for construction of the school facilities needed for the provision of vocational education in areas of the region in which such education is not now adequately available. Such grants shall be made in accordance with the provisions of the Vocational Education Act of 1963 (77 Stat. 403), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) Not to exceed \$16,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

*"Sewage Treatment Works*

"SEC. 212. (a) In order to provide facilities to assist in the prevention of pollution of the region's streams and to protect the health and welfare of its citizens, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction of sewage treatment works in accordance with the provisions of the Federal Water Pollution Control Act (33 U.S.C. 466 et seq.), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States pursuant to any other provision of law.

"(b) Not to exceed \$6,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

*"Amendments to Housing Act of 1954*

"SEC. 213. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking the word 'and' at the end of paragraph (7), by substituting for the period at the end of paragraph (8) the phrase 'and,' and by adding a new paragraph (9) to read as follows:

"(9) the Appalachian Regional Commission, established by the Appalachian Regional Development Act of 1965, for comprehensive planning for the Appalachian region as defined by section 403 of such Act."

"(b) Section 701(b) of the Housing Act of 1954 (40 U.S.C. 461(b)), is amended by adding before the period at the end of the first sentence the following: 'to States participating in planning for Appalachian regional programs, for expenses incurred in the course of such planning, or to the Appalachian Regional Commission'.

*"Supplements to Federal Grant-in-Aid Programs*

"SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for

which, because of their economic situation, they cannot supply the required matching share, the Secretary of Commerce is authorized, pursuant to specific recommendations of the Commission approved by him and after consultation with the appropriate Federal officials, to allocate funds appropriated to carry out this section to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of such Federal grant-in-aid programs. Funds so allocated shall be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such project otherwise authorized by the applicable law. Funds shall be so allocated for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Such allocations shall be available without regard to any appropriation authorization ceilings in such Act.

"(b) The Federal portion of such costs shall not be increased in excess of the percentages established by regulations promulgated by the Secretary of Commerce, and such regulations shall in no event authorize the Federal portion of such costs to exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid programs' as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other Federal grant-in-aid programs authorized on or before the effective date of this Act by Acts other than this Act for the acquisition of land and the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

"(d) Not to exceed \$90,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

*"Part C—General provision*

*"Maintenance of Effort*

"SEC. 221. No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds, exclusive of Federal funds, for the benefit of the area within the State located in the region are maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act. In computing the average level of expenditure for its last two fiscal years, a State's past expenditure for participation in the National System of Interstate and Defense Highways shall not be included. The Commission shall recommend to the President or such Federal officer or officers as the President may designate, a lesser requirement when it finds that a substantial population decrease in that portion of a State which lies within the region would not justify a State expenditure equal to the average level of the last two years or when it finds that a State's average level of expenditure, within an individual program, has been disproportionate to the present need for that portion of the State which lies within the region.

*"Consent of States*

"SEC. 222. Nothing contained in this Act shall be interpreted as requiring any State to engage in or accept any program under this Act without its consent.

*"Program Implementation*

"SEC. 223. A program and projects authorized under any section of this title shall not be implemented until (1) the Commission has consulted with the appropriate official or officials concerned with such program and projects as may be designated by the Governor or Governors of the State or States involved and has obtained the recommendations of such official or officials with respect to such program and projects and (2) plans with respect to such program and projects have been recommended by the Commission and have been submitted to and approved or modified by the President or such Federal officer or officers as the President may designate.

*"Program Development Criteria*

"SEC. 224. (a) In developing recommendations on the programs and projects to be given assistance under this Act, and in establishing within those recommendations a priority ranking of the requests for assistance presented to the Commission, the Commission shall follow procedures that will insure consideration of the following factors:

"(1) the relationship of the project or class of projects to overall regional development including its location in an area determined by the State to have a significant potential for growth;

"(2) the population and area to be served by the project or class of projects including the relative per capita income and the unemployment rates in the area;

"(3) the relative financial resources available to the State or political subdivisions or instrumentalities thereof which seek to undertake the project;

"(4) the importance of the project or class of projects in relation to other projects or classes of projects which may be in competition for the same funds;

"(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic and social development of the area served by the project.

"(b) No financial assistance shall be authorized under this Act to be used (1) in relocating any establishment or establishments from one area to another; (2) to finance the cost of industrial plants, commercial facilities, machinery, working capital, or other industrial facilities or to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors; (3) to finance the cost of facilities for the generation, transmission, or distribution of electric energy; or (4) to finance the cost of facilities for the production, transmission, or distribution of gas (natural, manufactured, or mixed).

*"TITLE III—ADMINISTRATION*

*"Local Development Districts—Certification*

"SEC. 301. For the purposes of this Act, a 'local development district' shall be an entity certified to the Commission either by the Governor of the State or States in which such entity is located, or by the State officer designated by the appropriate State law to make such certification, as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region. No entity shall be certified as a local development district for the purposes of this Act unless it is one of the following:

"(1) a nonprofit incorporated body organized or chartered under the law of the State in which it is located;

"(2) a nonprofit agency or instrumentality of a State or local government;



"(3) a nonprofit agency or instrumentality created through an interstate compact; or

"(4) a nonprofit association or combination of such bodies, agencies, and instrumentalities.

"Grants for Administrative Expenses of Local Development Districts and for Research and Demonstration Projects

"SEC. 302. (a) The Secretary of Commerce is authorized—

"(1) either directly or through arrangements with the Commission, to make grants for administrative expenses to local development districts. The amount of any such grant shall not exceed 75 per centum of such expenses in any one fiscal year. No grants for administrative expenses shall be made to a local development district for a period in excess of three years beginning on the date the initial grant is made to such development district. The local contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

"(2) either directly or through arrangements with appropriate public or private organizations (including the Commission), to provide funds for investigation, research, studies, and demonstration projects, but not for construction purposes, which will further the purposes of this Act.

"(b) Recipients of Federal assistance under the provisions of this section shall, in accordance with regulations to be promulgated by the Secretary of Commerce, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the Secretary of Commerce. The records of the recipient shall be available for audit with respect to such grants by the Secretary of Commerce and the Comptroller General, or their duly authorized representatives.

"(c) Not to exceed \$5,500,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### "Project Approval

"SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made only by a State, a political subdivision of a State, or a local development district. Each such application shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate such application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance by the Commission.

#### "Annual Report

"SEC. 304. Not later than six months after the close of each fiscal year, the Commission shall prepare and submit to the Governor of each State in the region and to the President, for transmittal to the Congress, a report on the activities carried out under this Act during such year.

#### "TITLE IV—APPROPRIATIONS AND MISCELLANEOUS PROVISIONS

##### "Authorization of Appropriations

"SEC. 401. In addition to the appropriations authorized in section 201 for the Appalachian development highway system, there is hereby authorized to be appropriated for the period ending June 30, 1967, to be available until expended, not to exceed \$252,400,000 to carry out this Act.

##### "Applicable Labor Standards

"SEC. 402. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting and decorating, of projects, buildings, and works which are financially assisted through the Federal funds authorized under this Act, shall be paid wages at rates not less than those prevailing on similar

construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

##### "Definition of Appalachian Region

"SEC. 403. As used in this Act, the term 'Appalachian region' or 'the region' means that area of the eastern United States consisting of the following counties (including any political subdivision located within such area):

"In Alabama, the counties of Bibb, Blount, Calhoun, Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, De Kalb, Elmore, Etowah, Fayette, Franklin, Jackson, Jefferson, Lauderdale, Lawrence, Limestone, Madison, Marion, Marshall, Morgan, Randolph, Saint Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, and Winston;

"In Georgia, the counties of Banks, Barrow, Bartow, Carroll, Catoosa, Chattooga, Cherokee, Dade, Dawson, Douglas, Fannin, Floyd, Forsyth, Franklin, Gilmer, Gordon, Gwinnett, Habersham, Hall, Haralson, Heard, Jackson, Lumpkin, Madison, Murray, Paulding, Pickens, Polk, Rabun, Stephens, Towns, Union, Walker, White, and Whitfield;

"In Kentucky, the counties of Adair, Bath, Bell, Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton, Cumberland, Elliott, Estill, Fleming, Floyd, Garrard, Green, Greenup, Harlan, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Lincoln, McCreary, Madison, Magoffin, Martin, Menifee, Monroe, Montgomery, Morgan, Owsley, Perry, Pike, Powell, Pulaski, Rockcastle, Rowan, Russell, Wayne, Whitley, and Wolfe;

"In Maryland, the counties of Allegany, Garrett, and Washington;

"In North Carolina, the counties of Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Davie, Forsyth, Graham, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey;

"In Ohio, the counties of Adams, Athens, Belmont, Brown, Carroll, Clermont, Coshocton, Gallia, Guernsey, Harrison, Highland, Hocking, Holmes, Jackson, Jefferson, Lawrence, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross, Scioto, Tuscarawas, Vinton, and Washington;

"In Pennsylvania, the counties of Allegheny, Armstrong, Beaver, Bedford, Blair, Bradford, Butler, Cambria, Cameron, Carbon, Centre, Clarion, Clearfield, Clinton, Columbia, Crawford, Elk, Erie, Fayette, Forest, Fulton, Greene, Huntingdon, Indiana, Jefferson, Juniata, Lackawanna, Lawrence, Luzerne, Lycoming, McKean, Mercer, Mifflin, Monroe, Montour, Northumberland, Perry, Pike, Potter, Schuylkill, Snyder, Somerset, Sullivan, Susquehanna, Tioga, Union, Venango, Warren, Washington, Wayne, Westmoreland, and Wyoming.

"In South Carolina, the counties of Anderson, Cherokee, Greenville, Oconee, Pickens, and Spartanburg;

"In Tennessee, the counties of Anderson, Bledsoe, Blount, Bradley, Campbell, Carter, Claiborne, Clay, Cocke, Coffee, Cumberland, De Kalb, Fentress, Franklin, Grainger, Greene, Grundy, Hamblen, Hamilton, Hancock, Hawkins, Jackson, Jefferson, Johnson, Knox, Loudon, McMinn, Macon, Marion, Meigs, Monroe, Morgan, Overton, Pickett, Polk, Putnam, Rhea, Roane, Scott, Sequatchie, Sevier, Smith, Sullivan, Unicoi, Union, Van Buren, Warren, Washington, and White;

"In Virginia, the counties of Alleghany,

Bath, Bland, Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd, Giles, Grayson, Highland, Lee, Pulaski, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe.

"All the counties of West Virginia.

##### "Severability

"SEC. 404. If any provision of this Act, or the applicability thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

##### "Termination

"SEC. 405. This Act shall cease to be in effect on July 1, 1971."

##### AMENDMENT NO. 12

Mr. MILLER. Mr. President, I send to the desk for printing an amendment to the pending bill, and I also ask unanimous consent that the amendment be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table; and, without objection, it will be printed in the RECORD.

The amendment ordered to be printed in the RECORD is as follows:

On page 44, between lines 22 and 23, insert a new section as follows:

##### "LIMITATION

"SEC. 404. Notwithstanding any other provision of this Act, no funds authorized in this Act, other than those authorized in section 201, shall be expended for any program or project except to the extent such program or project is carried out in a "redevelopment area", designated as such by the Secretary of Commerce pursuant to section 5 of the Area Redevelopment Act. With respect to funds authorized in section 201, in the case of areas covered by this Act which are not designated "redevelopment areas", Federal funds shall be furnished on the same basis as in the case of all other areas not so designated."

On page 44, line 24, in lieu of "Sec. 404." insert "SEC. 405."

On page 45, line 5, in lieu of "Sec. 405." insert "SEC. 406."

Mr. MILLER. Mr. President, first I commend the fine statement of the distinguished Senator from Delaware [Mr. BOCOS]. It was my privilege to serve with him on the Committee on Public Works in the last session of Congress; and also it was my privilege to serve on that committee with the distinguished Senator from West Virginia at the time the first Appalachia bill was considered and reported to the Senate. I regret very much that, in good conscience, I had to vote against that bill when it passed out of the committee to the Senate floor last year. One of the reasons why I voted against it was the failure of the committee to accept any amendments to the bill. The amendment I have just sent to the desk is substantially like an amendment I filed last year.

If I might have the attention of the Senator from West Virginia, I would appreciate it.

Mr. RANDOLPH. I certainly want to give my attention to my majority leader and also to my friend from Iowa. It is a little difficult to do both at the same time. But I am very happy to direct my attention to the Senator from Iowa.

Mr. MILLER. If anyone can do it, the Senator from West Virginia is able to do it. I should like to discuss the



amendment and make a few comments, and I shall certainly welcome the reaction of the Senator from West Virginia.

What prompted my interest in filing an amendment like this one last year was the revelation in the minority views of the House report that many of the counties embraced in the Appalachia area, and specifically listed in the bill now under consideration, are not "distressed" counties at all. They are in just as good financial and economic condition as many other counties throughout the country. It seemed to me that to include them in the Appalachia area coverage for special treatment constituted rather unfortunate, discriminatory consideration.

Granted that many of the counties, and perhaps most of the counties, embraced by the bill are, in fact, counties which are suffering from a below-average economic condition, my amendment merely provides that only the counties listed in the bill which are, in fact, "distressed" counties be given preferential treatment. Those counties which are not "distressed" will not receive preferential treatment.

The minority views contained in the House report last year, which the minority in the Senate adopted as its views, stated:

The highway program contained in the bill—which comprises almost 80 percent of the money authorization in the bill—is particularly discriminatory against other portions of the country, for it authorizes an additional highway program for the Appalachian region almost as large as the annual program for construction of Federal aid primary and secondary highways and their urban extensions in all of the 50 States, plus Puerto Rico and the District of Columbia, including Appalachia.

This particular part of the bill is title II, starting on page 13, section 201. It seemed to me that if we were going to agree to an amendment which would make sure that only those counties which are in fact distressed counties would receive preferential treatment under this bill, the best place to start is the section that involves 80 percent of the program, and that is section 201.

My amendment provides that, notwithstanding any other provision of the bill, no funds authorized in this bill, other than those authorized in section 201, which relates to the highways, shall be expended for any program or project except to the extent that such program or project is carried out in a redevelopment area, designated as such by the Secretary of Commerce pursuant to section 5 of the Area Redevelopment Act.

Section 5 of the Area Redevelopment Act defines such areas. And it is quite clear from reading section 5 that they must be distress-type areas in fact.

I ask unanimous consent that section 5 of the Public Law 87-27, 87th Congress, S. 1, May 1, 1961, be printed at this point in the RECORD.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

#### REDEVELOPMENT AREAS

##### Standards

SEC. 5. (a) The Secretary shall designate as "redevelopment areas" those areas within

the United States in which he determines, upon the basis of standards generally comparable with those set forth in paragraphs (1) and (2), that there has existed substantial and persistent unemployment for an extended period of time. There shall be included among the areas so designated any area—

(1) where the Secretary of Labor finds that the rate of unemployment, excluding unemployment due primarily to temporary or seasonal factors, is currently 6 per centum or more and has averaged at least 6 per centum for the qualifying time periods specified in paragraph (2); and

(2) where the Secretary of Labor finds that the annual average rate of unemployment has been at least—

(A) 50 per centum above the national average for three of the preceding four calendar years, or

(B) 75 per centum above the national average for two of the preceding three calendar years, or

(C) 100 per centum above the national average for one of the preceding two calendar years.

The Secretary of Labor shall find the facts and provide the data to be used by the Secretary in making the determinations required by this subsection.

(b) The Secretary shall also designate as "redevelopment areas" those areas (including Indian reservations) within the United States which do not meet the requirements set forth in subsection (a) but which he determines are among the highest in numbers and percentages of low-income families, and in which there exists a condition of substantial and persistent unemployment or underemployment. In making the designations under this subsection and before extending any financial assistance as the result of designations under this subsection, the Secretary shall, by regulation, prescribe detailed standards upon which the designations under this subsection shall be based. In the formulation of such standards the Secretary shall consider, among other relevant factors, the number of low-income farm families in the various rural areas of the United States, the proportion that such low-income families are of the total farm families of each of such areas, the relationship of the income levels of the families in each such area to the general levels of income in the United States, the extent to which "rural development" projects have previously been located in any such area under programs administered by the Department of Agriculture, the current and prospective employment opportunities in each such area, the availability of manpower in each such area for supplemental employment, the extent of migration out of the area, and the proportion of the population of each such area which has been receiving public assistance from the Federal Government or from the State or States in which such area is located or from any municipality therein. In making the designations under this subsection, the Secretary shall endeavor to distribute the projects widely among the several States, so far as is feasible and proper, in order that actual experience with this program may be had in as many States and in as many areas and under as many different circumstances as possible. In making these determinations the Secretary shall be guided, but not conclusively governed, by pertinent studies made, and information and data collected or compiled, by (1) departments, agencies, and instrumentalities of the Federal Government, (2) State and local governments, (3) universities and land-grant colleges, and (4) private organizations.

(c) Upon the request of the Secretary, the Secretary of Labor, the Secretary of Agriculture, the Secretary of the Interior, and such other heads of agencies as may be appropriate are authorized to conduct such special studies, obtain such information, and com-

pile and furnish to the Secretary such data as the Secretary may deem necessary or proper to enable him to make the determinations provided for in subsection (b) of this section. The Secretary shall reimburse when appropriate, out of any funds appropriated to carry out the purposes of this Act, the foregoing officers for any expenditures incurred by them under this section.

(d) As used in this Act, the term "redevelopment area" refers to any area within the United States which has been designated by the Secretary as a redevelopment area.

Mr. MILLER. Mr. President, I said that none of the counties which cannot qualify as "distressed" counties would be allowed to receive any preferential treatment under this amendment except with respect to section 201. That is the highway section. With respect to that section, my amendment does enable such "nondistressed" counties to receive some assistance. The amendment provides that Federal funds shall be furnished to those particular counties which are not "distress" counties, but only on the same basis as in the case of other areas in the country not so designated.

There is a reason for permitting "nondistressed" counties to come in under this bill, at least to the extent that I have provided. I can understand how there might be three counties in a row through which a highway program should be advanced. The upper county and the lower county are distress counties. The middle county is a county that is in a reasonably good economic condition, and can not qualify as a "distress" county. In order to develop this program, we would have to have the highway go through all three counties. My amendment would provide that we would permit the highway to go through all three counties, but that the middle county, which is not a "distress" county, shall not receive any more Federal aid on this highway program than any other county enjoying a similar economic position in some other part of the country. I do not think this is an unreasonable provision.

Some say that to single out Appalachia with its distressed counties alone is discriminatory with respect to other areas of the country. The majority views contained in the committee report deny that. But perhaps it can be argued that there is a certain amount of preferential treatment involved.

I would hope that the committee, and the distinguished Senator from West Virginia, would not push this preferential treatment to the extent of including counties which are not "distress" counties at all, and would not undertake to give such counties just as much benefit and just as much coverage under the bill as the "distress" counties.

We pointed out in our minority views last year a table of the counties which shows that 67 of the 355 Appalachian counties are not even eligible for grants under the Accelerated Public Works Act. That indicates a good share of such counties are, by the nature of things, not qualified for this type of preferential treatment by Congress.

I recognize that the highway program is a large part of this program, and that in order to have a coordinated program, we must build a highway through coun-



ties that are not "distress" counties, but are at least average or above average in economic growth.

My amendment is designed to permit this to be done, with the provision, however, that the Federal assistance for highways in such "nondistressed" counties be on exactly the same basis as it would be in counties anywhere else in the United States which are not "distressed" counties.

I should like to ask the Senator from West Virginia to comment on this point. The Senator knows that I value his opinion most highly. He is a most dedicated, hard-working Senator. He is not the kind of person to seek preferential treatment without reason. I want the Senator to know that this amendment is being offered in the utmost of good faith. It is not designed to harm the program. It is designed to make sure that the money, which will be considerable—that goes into the Appalachian region will go only or at least primarily to "distressed" counties.

Mr. RANDOLPH. Mr. President, I thank my able colleague, who shared membership with me on the Committee on Public Works prior to the 89th Congress. Sometimes I wish that he were still on the committee so that he would be able to assist me. The Senator is most constructive in his approach.

However, I remember times when he has offered, not one amendment, but so many amendments to legislation which was being considered in the committee that it caused me some discomfort and some concern.

Mr. MILLER. Even to the extent that the Senator believed that in good conscience he had to accept one or two of them on occasion.

Mr. RANDOLPH. The Senator is correct.

Mr. President, this is not an area redevelopment bill. This is a regional development bill. It has program criteria, rather than what we designate in the ARA as county eligibility criteria. The amendment which is being discussed by the Senator from Iowa would reject this regional concept. That concept is the heart of the proposed legislation.

Mr. MILLER. Mr. President, will the Senator yield at that point?

Mr. RANDOLPH. I yield.

Mr. MILLER. I wish to make it abundantly clear that the amendment of the Senator from Iowa does not reject this concept at all. The amendment was meticulously drawn so that the concept would be preserved, not only with respect to the distressed counties, but also with respect to other counties—of which there must be at least 70—which could not possibly qualify as distressed counties.

All this amendment proposes is to provide that, while preserving the concept, the money goes to the "distressed counties," as far as singling them out for preferential treatment is concerned. But the money that goes to the nondistressed counties cannot be on any other basis than money going to other nondistressed counties in other areas.

I repeat that I am not attempting by this amendment to destroy the concept. I am trying to preserve the concept.

I say to my friend the Senator from West Virginia, that when I first started looking into this matter, I had an amendment drafted that would have precluded any aid whatsoever to any nondistressed county under this bill. But, after consulting some of the members of the committee, including the distinguished Senator from Kentucky [Mr. COOPER], I was persuaded that the major portion of this program would deal with highways, and that we cannot have a highway program and say that we shall have a checkerboard approach. We must consider the entire area.

So I want to preserve it. I simply do not want the county in the middle, to use the example I used earlier, to have any better treatment than any other county that is enjoying equal economic prosperity.

Mr. RANDOLPH. I was about to say, when the Senator asked to be recognized again, and rightly so, that the amendment the Senator is discussing recognizes the intercounty concept of the nature of our highway construction. He also knows full well that streams do not stop at county lines, and he knows that bad health conditions do not abruptly end at county lines. He knows that the treatment of what we call watersheds must embrace multicounty areas. One of the major conceptional differences between this bill and the ARA program is the establishment of multicounty development districts. I do not see how you could eliminate some 70 counties from the provisions of the bill and retain these districts.

I point out that, in my opinion, the amendment, if it is to be offered, should not be agreed to by the Senate.

I call attention to the program development criteria contained in section 224, on page 36 of the bill, in which it is stated:

(1) the relationship of the project or class or projects to overall regional development including its location in an area determined by the State \* \* \*

It could be determined to have a potential growth or a significant potential for growth.

This is a question for determination by a State. Would the Senator think that might be a reasonable assumption?

Mr. MILLER. Yes, indeed. I have no difficulty with this approach at all. All I want to do is to make sure that when we go into this area, a county which is enjoying average or better than average economic prosperity will put up the money it would have to put up if it were located in Iowa or Nebraska or any other State because it happens to be enjoying average or above average economic prosperity.

So far as the watershed program is concerned, we have many millions of dollars going into watershed programs which are completely unrelated, so far as the law is concerned, to the pending legislation. If there is a watershed program and a distressed county needs some money, it can obtain money under this bill. If it happens to tie into a nondistressed county, it could obtain money from the watershed program. So I do

not see that the area approach would be jeopardized at all.

Mr. RANDOLPH. If the amendment were offered and adopted it might cut off one of the counties where there was a growth potential. I would not want that to happen. It could happen.

Mr. MILLER. Perhaps I have misread the purpose of the legislation, but as I understand it, we are interested in growth potentials of areas enjoying below average economic prosperity.

Mr. RANDOLPH. Sometimes the economically healthy county can be the magnet to draw the less economically healthy counties into development programs. It may be the anchor county which is vital to the success of an entire program of a developmental district.

Mr. MILLER. The Senator may have a point, but the only trouble is that that point was rejected by the Congress and the President when the area redevelopment program was adopted. At that time we refused to recognize the polarization theory with respect to above average counties. I voted against the Area Redevelopment Act because I found provisions in it which I felt would be inequitably applied.

I believe the thrust of the Appalachia program, certainly from the press reports and reading the majority report on the bill, is that we are trying to reach the low economic average areas and give them vitality so that they will grow. We are not talking about wealthy counties or average economic areas. We are talking about below average economic counties. Without that we would not have the bill. I cannot understand why this program could not be carried out by concentrating on the distressed areas.

So far as the unique money treatment is concerned, let the other counties which are enjoying normal prosperity do just as any other normal county has to do so far as the Federal Treasury is concerned. I presume there would be a great incentive for other counties, if they saw the Federal Treasury putting great amounts of money into marginal or below-average counties adjacent to them.

I hope the Senator will study the amendment, because my amendment is not designed to draw the teeth from the bill. It is not designed to harm the bill. But it is hard for me to tell people living in counties which, unfortunately, are below average economically, and who yet are still paying taxes, that we are expending some of their tax money—not for a county which is in a similar economic condition, but for a county which is enjoying economic prosperity.

That is what will happen if the bill passes in its present form.

I thank the Senator for yielding. I hope he will think hard and deeply on this amendment, because I know he is a most conscientious person. I hope he will study it in the full realization that the amendment is designed to be constructive and helpful.

Mr. RANDOLPH. I shall give it thoughtful consideration. It was a matter of concern last year. It was a matter of study again this year. I am grateful for the contribution the Senator has made to the consideration of this bill.



Mr. MILLER. If the amendment cannot be accepted, I will probably ask for a yea-and-nay vote on it.

Mr. RANDOLPH. Would the Senator like a vote on it now?

Mr. MILLER. I understand that there is a unanimous-consent agreement to vote on the bill at 2 o'clock Monday.

Mr. RANDOLPH. At 3 o'clock.

Mr. MILLER. At 3 o'clock next Monday. Many Senators are absent. There was some sort of gentleman's agreement that there would not be rollcalls this afternoon. My amendment is not printed. I would much prefer to have my amendment printed and on the desks of Senators before I ask for a rollcall, but I wanted an opportunity to have a brief discussion on it before any rollcall on my amendment on Monday before the Senate reached the point of voting on the bill.

Mr. RANDOLPH. I hope it will be a very brief discussion, because possibly there will be many votes on Monday. The distinguished majority leader said last evening that he did not desire to inconvenience any Senator, but it was never indicated that there would be no rollcalls today.

Mr. MILLER. I realize that nothing has been stated on this point. I hope the Senator will understand that if there is to be a yea-and-nay vote this afternoon, in fairness to the Senate, it should be on amendments printed and on the desk rather than on an amendment which I have just submitted, which will not be printed and on the desk until Monday next. I had intended to develop my remarks this afternoon so that if there is to be a yea-and-nay vote on Monday, these remarks will be in the RECORD.

Mr. RANDOLPH. The Senator is correct. Senators could read the colloquy between the two Senators.

Mr. MILLER. The Senator is correct.

Mr. RANDOLPH. The statement by the Senator from Iowa could be made, it would seem to me, in a few minutes, prior to the yea-and-nay vote, if it were to be laid over until Monday until his amendment is printed.

Mr. MILLER. The Senator from West Virginia has my assurance that my comments will be brief. I hope, however, that he understands why the amendment should be printed and lie over until Monday.

Mr. RANDOLPH. I understand.

Mr. MILLER. Especially when other amendments are printed now.

Mr. RANDOLPH. The Senator has made a reasonable request, and I thank him.

Mr. HART. Mr. President, as was true a year ago, I have listened very carefully to the discussion and explanation offered to the Senate by the distinguished Senator from West Virginia [Mr. RANDOLPH].

Last year, I voted in support of the creation of the Appalachian Regional Development Act. I have every intention of voting in support of the Appalachian Regional Development Act which the Senator from West Virginia [Mr. RANDOLPH] again presents to the Senate.

It is not alone that the facts are compelling and persuasive, but because of the effective style and manner of presentation by the Senator in charge of the bill, which lend additional support to the position I intend to take.

I have carefully read the Senate report on S. 3. I am delighted to see in the committee report a statement which I know is the opinion of the Senator from West Virginia, that—

The committee is aware of the economic conditions in the Ozark Mountain area, in the upper Great Lakes region, and in pockets of poverty of varying size elsewhere in the United States.

The committee report goes on to advise that the administration intends to promptly request congressional action for dealing with regional problems in other areas.

The committee confirms what all of us interested in other regions have established by informal conversation with the Senator from West Virginia [Mr. RANDOLPH], that the committee intends to give early consideration to other regional development problems.

Incidentally, I share the attitude expressed by the committee report, that merely because there are other areas of concern with acute need is no reason to reject the proposal now before the Senate.

In addition, I am delighted that my senior colleague from Michigan [Mr. McNAMARA], chairman of the Committee on Public Works, introduced yesterday the bill which now bears Senate No. 812.

Mr. RANDOLPH. Do I correctly understand that not only has the Senator from Michigan [Mr. McNAMARA] presented the bill with other cosponsors, but also that the Senator from Michigan [Mr. HART] has joined as a cosponsor?

Mr. HART. I was delighted to support the bill introduced by my colleague, the Senator from Michigan [Mr. McNAMARA], to the extent of becoming a cosponsor to lend it any support it might need; but his own standing and experience in this area and his position on the committee, I believe, speak eloquently about all that needs to be said on the subject. However, it does represent a further response to the expressions of concern by those of us who represent regions which are comparable in many respects to Appalachia.

Today, therefore, I believe that it would be useful, even though briefly, to outline a proposal that was made to the Committee on Public Works by several of us representing such a region—namely, the region of the upper Great Lakes.

Last week, when the Committee on Public Works held hearings on S. 3, it was my privilege to appear before the subcommittee of which the Senator from West Virginia [Mr. RANDOLPH] is chairman, to present a proposal which was in the form of a suggested amendment. On behalf of myself and the Senator from Wisconsin [Mr. NELSON], the two Senators from Minnesota [Mr. MCCARTHY and Mr. MONDALE], our amendment proposed the creation, on enactment of the

Appalachia Act, of an Upper Great Lakes Development Act of 1965.

Although the members of the committee stated their genuine concern for the problems of the area and, as I have indicated, their intention to come to grips with the problems, it has not seen fit, at this time, to report the amendment.

For this reason, I believe that it would be desirable there be some discussion of the need for additional regional authorities able to move expeditiously on the economic revitalization of regions, such as that in Appalachia, which have been bypassed by the general prosperity of the Nation.

The sponsors of the upper Great Lakes proposal believe that economic distress within this 80-county area of northern Wisconsin, Michigan, and Minnesota can best be relieved by coordinated regional action. We believe further that Federal and State assistance aimed at bringing new economic life to these communities and their people can best be channeled through such regional action.

At this stage, our proposal does not contemplate major public works expenditures. We are concerned with the establishment of a regional authority with adequate powers and resources to assist in the training, resource development, and public works planning that will be necessary to bring to our upper Great Lakes communities the full benefits of expanding and viable economic growth.

We speak for a region with unemployment that has averaged some 20 percent higher than the unemployment rate of Appalachia.

We speak of a region where depletion of some of the natural resources have left many of the same problems that we find in Appalachia. This is an area of closed iron mines, underutilized timber resources, inadequate highways, and remoteness; but where there is also great potential for recreation and the fuller utilization of the timber, low grade iron, water resources and human resources of the region.

Much preparation, much thought, and much groundwork has occurred on which we argue that we now should find Congress reacting to the preliminary studies and recommendations. We feel that Congress should include in its legislative program this session, the enactment, along with the Appalachia bill, of our proposal for an Upper Great Lakes Development Authority.

The U.S. Department of Agriculture, in cooperation with local development groups, State resource agencies, and many private interests, has held conferences and maintained a continuing liaison between private and public agencies within this region. In 1963, highlighted by President Kennedy's speech, an inclusive conference was held in Duluth. The need for regional cooperation and coordination was manifest.

Today, Mr. President, those of us who propose this amendment do not wish to stand in the way of legislative action on Appalachia. We are grateful for the tremendously important groundwork that has been laid by the congressional Members from the Appalachian States over



these several years, culminating in the approaching vote in the Senate, which I have every confidence will support the recommendations with respect to Appalachia.

We believe that an Appalachian type authority is an important pilot undertaking that will help other regions draw on its work and experience. We are hopeful that quick and expeditious committee hearings will be held on specific proposals, such as ours, so that another year will not pass while we wait for efficient and effective regional action.

We have noted the encouraging report that funds will be allocated for assisting with regional development programs in the new ARA authorization. But there are still unanswered questions—questions to which it is essential we have answers if a useful and effective program of regional development is to be undertaken.

Included in these questions, of course, would be the concern as to whether there will be administration support for additional regional authorities and Federal-State organizations. Will this be the main vehicles for channeling Federal assistance for roads and the public roads into coordinated regional development?

We believe we have some of the answers that best fit this 80-county region in our proposal for the Upper Great Lakes Authority. We are hopeful that when this later proposal comes to the Senate it will receive support from Members of the Senate who represent Appalachian States and are today receiving the support of those of us who have equal concern for our remote areas.

Finally, Mr. President, so that the RECORD may be clear on the amendment for an Upper Great Lakes Regional Development Act that was considered in the Public Works Committee, I ask unanimous consent that there be printed at this point in my remarks a copy of the amendment, a section-by-section summary and tables which accompanied my testimony, and which outline some of the persuasive reasons why this 80-county area in the northern portions of Michigan, Wisconsin, and Minnesota should be the next region on which Congress acts.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

On page 1 strike out lines 3 and 4 and insert in lieu thereof the following:

**"CHAPTER 1—APPALACHIAN REGIONAL DEVELOPMENT**

**"Short title**

"SECTION 1. This chapter may be cited as the 'Appalachian Regional Development Act of 1965', and all references in this chapter to the words 'this Act' shall be held to refer to 'this chapter'."

At the end of the bill add the following new chapter:

**"CHAPTER 2—UPPER GREAT LAKES REGIONAL DEVELOPMENT**

**"Title V—Short title and statement of purpose**

**"Short Title**

"SEC. 501. This chapter may be cited as the 'Upper Great Lakes Regional Development Act of 1965'.

**"Findings and Statement of Purpose**

"SEC. 502. As a result of changes in the nature of its resource base and changing requirements of the national economy, the upper Great Lakes region of the United States lags behind the Nation in its economic

growth, and its people have not shared properly in the Nation's prosperity. The region's historical reliance on the extractive industries of metals mining and lumbering has resulted in depletion of its high grade natural resources, and it has not found the means to adapt fully to the exploitation of its lower grade resources. Upgrading the human and natural resources and their uses, and development of the region's recreation potential are prerequisites for vigorous and self-sustaining growth. Such a needed revitalization can come only through extensive participation by State and local authorities along with the Federal Government in implementing development programs tailored to the needs and resources of the region. Congress recognizes that a large body of research by Federal, State, and private organizations has established the feasibility, the desirability, and the urgent need for regionwide development. It is, therefore, the purpose of this chapter to assist the region in meeting its special problems, to promote economic development, and to establish a framework for joint Federal and State efforts toward making the adaptations and advances essential to growth on a coordinated and concerted basis. As the region obtains the needed technologies and infrastructure and the requisite human resources to guide and operate its new activities, Congress expects that the region will then be able to participate more effectively in the national free enterprise economy.

**"Title VI—The Upper Great Lakes Development Authority**

**"Membership and Voting**

"SEC. 601. (a) The Upper Great Lakes Development Authority (referred to as the 'Authority') shall be composed of seven members, four appointed by the President, by and with the advice and consent of the Senate, and three appointed by the Governors of the States, one from each participating State. No member of the Authority shall be the holder of a full-time public office in either State or Federal Government. Of the Presidential appointments, one shall be made from each of the participating States; the fourth shall be at the discretion of the President and shall serve as Chairman and full-time executive officer of the Authority.

"(b) Decisions by the Authority, unless delegated to the Chairman, shall require the affirmative vote of the Chairman and three others.

"(c) The Chairman shall be compensated at the rate prescribed for level IV of the Federal Executive Salary Schedule established by the Federal Executive Salary Act of 1964. There shall be a Deputy Chairman appointed by the Chairman with the approval of the Authority, who shall serve as his alternate and who shall be compensated at the rate prescribed for grade 18 of the General Schedule of the Classification Act of 1949, and when not serving as an alternate for the Chairman shall perform such duties as are delegated to him by the Chairman. Other members of the Authority shall receive compensation at a rate of \$75 per diem for each day on which they are engaged in the performance of duties of the Authority, and shall be reimbursed by the Authority for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

**"Functions of the Authority**

"SEC. 602. In carrying out the purposes of this chapter the Authority shall—

"(1) develop, on a continuing basis, comprehensive and coordinated plans and programs, including those for land use and public works, and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

"(2) conduct and sponsor investigations, research, and studies, including where necessary, inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agencies, sponsor dem-

onstration projects designed to foster regional productivity and growth;

"(3) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region and assist in their financing;

"(4) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation;

"(5) support existing local development districts and encourage their formation where needed by providing technical assistance and participating in the financing of professional staff and administration;

"(6) encourage private investment in industrial, commercial, and recreational projects;

"(7) serve as a focal point and coordinating unit for Federal, State, and local programs in the region;

"(8) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences; and

"(9) formulate for the Congress a program of development projects with proposals for Federal participation in their funding.

**"Administrative Powers of the Authority**

"SEC. 603. To carry out its duties under this chapter, the Authority is authorized to—

"(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions;

"(2) appoint and fix the compensation of such personnel as may be necessary to enable the Authority to carry out its functions, in accordance with the civil service laws and the Classification Act of 1949;

"(3) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the Authority such personnel within his administrative jurisdiction as the Authority may need for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status;

"(4) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency;

"(5) accept, use, and dispose of gifts or donations of services or property, real, personal, or mixed, tangible or intangible;

"(6) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation;

"(7) establish a permanent office at such location as it may select and field offices at such other places as it may deem appropriate; and

"(8) take such other actions and incur such other expenses as may be necessary or appropriate.

**"Title VII—Special programs for upper Great Lakes region**

**"Natural Resource Development**

"SEC. 701. (a) In order to promote the conservation and fuller utilization of the natural resources of the region, the Authority is authorized to contract with or make grants to any department, agency, or instrumentality of the United States, any State or political subdivision, agency or instrumentality thereof, any public or private educational institution or any private research organization to carry on basic and applied research on improving techniques for extracting, processing, transporting, and marketing of such resources.



"(b) Not to exceed \$3,000,000 of the funds authorized in section 801 of this chapter shall be available to carry out this section.

#### "Training Assistance

"SEC. 702. (a) In order to assure continuing and orderly planning and implementation of economic development programs within the region, the Authority is authorized to award fellowships for graduate study in resource development, industrial development, community development, area economic planning, economic and physical planning, and such other areas of study as the Authority determines will carry out the purposes of this chapter.

"(b) Not to exceed \$500,000 of the funds authorized in section 801 of this chapter shall be available to carry out this section.

#### "Recreational Development: Lake Superior Scenic Highway

"SEC. 703. (a) In order to develop and coordinate the recreational resources of the region, the Authority, in cooperation with the Secretary of Commerce, shall prepare detailed plans for a scenic highway in the region to be known as the Lake Superior Scenic Highway. Such plans shall include land use planning in the impact areas of the highway with emphasis on sites for recreational development and provision for the control over the use of such sites.

"(b) Not to exceed \$2,000,000 of the funds authorized in section 801 of this chapter shall be available to carry out this section, of which 10 per centum shall be available for the land use planning referred to in subsection (a) of this section.

#### "Local Development Districts: Certification, Financial Assistance

"SEC. 704. (a) For the purpose of this chapter, a 'local development district' shall be an entity certified to the Authority either by the Governor of the State or States in which such entity is located, or by the State officer designated by the appropriate State law to make such certification, as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region. No entity shall be certified as a local development district for the purposes of this Act unless it is one of the following:

"(1) A nonprofit incorporated body organized or chartered under the law of the State in which it is located;

"(2) A nonprofit agency or instrumentality of a State or local government;

"(3) A nonprofit agency or instrumentality created through an interstate compact; or

"(4) A nonprofit association or combination of such bodies, agencies, and instrumentalities.

"(b) The Authority is authorized to make grants to certified local development districts for the costs of technical staff and consultant assistance to such districts. The amount of any such grant shall not exceed 90 per centum of such costs in any one fiscal year. The Authority may delegate staff members to assist certified local development districts to prepare requests for grants under this section.

"(c) Not to exceed \$2,000,000 of the funds authorized in section 801 of this chapter shall be available to carry out this section.

#### "Title VIII—Miscellaneous

##### "Authorization of Appropriations

"SEC. 801. There is hereby authorized to be appropriated for the period ending June 30, 1966, not to exceed \$10,000,000 to carry out this chapter, and for fiscal years thereafter such amounts as the Congress shall hereafter authorize.

##### "Annual Report

"SEC. 802. Not later than six months after the close of each fiscal year, the Authority shall prepare and submit to the Governor of each State in the region and to the Presi-

dent, for transmittal to the Congress, a report on the activities carried out under this chapter during such year.

#### "Consent of States

"SEC. 803. Nothing contained in this chapter shall be interpreted as requiring any State to engage in or accept any program under this chapter without its consent.

#### "Definition of Upper Great Lakes Region

"SEC. 804. As used in this chapter, the term 'Upper Great Lakes region' or the 'region' means that area of the midwestern United States consisting of the following counties (including any political subdivision located within such area):

"In Minnesota—Aitkin, Beltrami, Carlton, Cass, Clearwater, Cook, Crow Wing, Hubbard, Itasca, Koochiching, Lake, Lake of the Woods, Pine, Roseau, St. Louis, and Wadena;

"In Wisconsin—Ashland, Bayfield, Burnett, Douglas, Florence, Forest, Iron, Langlade, Lincoln, Marinette, Menominee, Oconto, Oneida, Price, Rusk, Sawyer, Taylor, Vilas, and Washburn;

"In Michigan—Alcona, Alger, Alpena, Ant- rim, Arenac, Baraga, Benzie, Charlevoix, Cheboygan, Chippewa, Clare, Crawford, Delta, Dickinson, Emmet, Gladwin, Gogebic, Grand Traverse, Houghton, Iosco, Iron, Kalkaska, Keweenaw, Lake, Leelanau, Luce, Mackinac, Manistee, Marquette, Mason, Mecosta, Menominee, Missaukee, Montmorency, Newaygo, Oceana, Ogemaw, Ontonagon, Osceola, Oscoda, Otsego, Presque Isle, Roscommon, Schoolcraft, and Wexford."

Amend the title so as to read: "A bill to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian Region and to provide the planning and coordination needed to assist the economic development of the Upper Great Lakes region."

#### UPPER GREAT LAKES REGIONAL DEVELOPMENT ACT PRESENTED AS AMENDMENT No. 1 TO S. 3

##### TITLE V—SHORT TITLE AND STATEMENT OF PURPOSE

Section 501: The short title of this chapter shall be "Upper Great Lakes Regional Development Act of 1965."

Section 502 sets forth the findings that the upper Great Lakes region lags behind the Nation in economic growth as a result of changes in the nature of its resource base and the requirements of the Nation's economy, and that revitalization can come only through extensive participation by State and local authorities along with the Federal Government in implementing development programs tailored to the region. The purpose of this chapter is to promote the economic development of the region and to establish a framework for joint Federal and State efforts to this end.

##### TITLE VI—UPPER GREAT LAKES DEVELOPMENT AUTHORITY

Section 601 establishes the Upper Great Lakes Development Authority to be composed of seven members, four appointed by the President with the advice and consent of the Senate, and three appointed by the Governors of the States, one from each State. Of the Presidential appointments, one shall be from each State, and the fourth to be at the discretion of the President shall serve as Chairman. Decisions of the Authority shall be by vote of the Chairman, and three others.

Section 602: The functions of the Authority shall be: (1) To develop comprehensive and coordinated plans and programs and priorities, including those for land use and public works; (2) conduct and sponsor investigations, research and studies, and in cooperation with Federal, State, and local agencies, sponsor demonstration projects to foster regional growth; (3) review, study, recommend modifications of, and additions to, Federal, State, and local public and private programs; (4) formulate and recom-

mend interstate compacts and other forms of interstate cooperation; (5) encourage the formation of, and support existing, local development districts with technical assistance and financing of staff and administration; (6) encourage private investment in industrial, commercial, and recreational projects; (7) serve as a focal point and coordinating unit for Federal, State, and local programs; (8) provide a forum for consideration of problems of the region and proposed solutions; and (9) formulate for the Congress a program of development projects with proposals for Federal participation in their funding.

Section 603 sets forth the administrative powers of the Authority.

#### TITLE VII—SPECIAL PROGRAMS FOR UPPER GREAT LAKES REGION

Section 701 authorizes the Authority to contract with or make grants to any agency of the United States, any agency of any State or local government, any public or private educational institution, or any private research organization to carry on basic and applied research on improving techniques for extracting, processing, transporting, and marketing of the natural resources of the region, and makes available \$3 million for this purpose.

Section 702 authorizes the Authority to award fellowships for graduate study in resource development, industrial development, community development, area economic planning, economic and physical planning, and other areas determined by the Authority, and makes available \$500,000 for this purpose.

Section 703 authorizes the Authority, in cooperation with the Secretary of Commerce, to prepare detailed plans for a Lake Superior Scenic Highway, including land use planning with emphasis on sites for recreational development, and makes available \$2 million for this purpose, 10 percent of which shall be available for land use planning.

Section 704 authorizes the Authority to make grants to certified local development districts for not more than 90 percent of the costs of technical staff and consultant assistance to such districts, and makes available \$2 million for this purpose.

#### TITLE VIII—MISCELLANEOUS

Section 801 authorizes \$10 million to be appropriated for fiscal year 1966 to carry out the purposes of this chapter.

Section 802 directs the Authority to prepare annual reports on its activities to be submitted to the Governors of the States and to the President for transmittal to the Congress.

Section 803 stipulates that no State shall be required to engage in any program under this chapter without its consent.

Section 804 defines the upper Great Lakes region as those 80 counties in the States of Minnesota, Wisconsin, and Michigan set forth in this section.

#### SEVENTY-NINE COUNTIES IN THE UPPER GREAT LAKES REGION—MICHIGAN, MINNESOTA, AND WISCONSIN

TABLE I.—Percent employed in selected occupations, 1960

Occupation	79 counties	45 counties in Michigan	16 counties in Minnesota	18 counties in Wisconsin
All employed..	100.0	100.0	100.0	100.0
Agriculture.....	10.8	8.1	9.9	17.7
Forests and fisheries..	.5	.5	.5	.7
Mining.....	8.7	5.7	10.7	1.0
Construction.....	6.0	7.1	5.3	5.0
Manufacturing.....	20.4	22.6	15.7	22.5
Entertainment and recreation.....	.7	.7	.7	.6
Eating and drinking places.....	3.6	3.5	3.0	4.4
Retailing (except food).....	9.6	10.0	9.4	9.0
All other.....	39.7	41.8	44.8	39.1



TABLE II.—Land area and population

	Land area		Population				Percent change, 1950-60
	Square miles	Percent of United States	Total, 1960	Percent of United States, 1960	Total, 1950	Percent of United States, 1950	
United States.....	3,548,974	100.0	179,323,175	100.0	150,697,361	100.0	18.5
Total, Michigan, Minnesota, and Wisconsin.....	191,733	5.4	15,188,835	8.5	12,788,824	8.5	18.8
79 counties, upper Great Lakes.....	81,282	2.3	1,472,885	.8	1,455,899	1.0	1.2
Percent of 3-State area.....		42.4		9.7		11.4	
Michigan.....	57,019	1.6	7,823,194	4.4	6,371,766	4.2	22.8
45 counties.....	32,793	50.9	696,202	.4	690,049	10.5	.9
Percent of Michigan.....		57.5		8.9		10.8	
Minnesota.....	80,009	2.3	3,413,864	1.9	2,982,483	2.0	14.5
16 counties.....	30,719	.9	478,531	.3	449,354	.3	6.5
Percent of Minnesota.....		38.4		14.0		15.1	
Wisconsin.....	54,705	1.5	3,951,777	2.2	3,434,575	2.3	15.1
18 counties.....	17,770	.5	298,142	.2	316,496	.2	-5.8
Percent of Wisconsin.....		32.5		7.5		9.2	

TABLE III.—Employment and the labor force

	Employed			Unemployed				Civilian labor force		
	1960	1950	Percent change, 1950-60	1960	1950	Percent change, 1950-60	Percent of labor force 1950-60	1960	1950	Percent change, 1950-60
United States.....	64,668,731	56,239,449	15.0	3,475,348	2,832,206	22.7	5.1	68,144,079	59,071,655	15.4
Total, Michigan, Minnesota, and Wisconsin.....	5,430,312	4,892,720	11.0	326,723	219,481	48.9	5.7	5,757,085	5,112,210	12.6
79 counties, upper Great Lakes.....	461,503	479,891	-3.8	45,038	32,418	38.9	8.9	506,571	512,311	-1.1
Michigan.....	2,728,154	2,303,574	14.0	202,194	136,486	48.1	6.9	2,930,348	2,530,060	15.8
45 counties.....	210,876	208,007	1.4	21,854	16,209	34.8	9.4	232,760	224,218	3.8
Minnesota.....	1,234,017	1,143,872	7.9	64,948	41,895	55.0	5.0	1,298,965	1,185,767	9.5
16 counties.....	152,080	162,338	-6.3	15,973	9,851	62.1	9.9	168,053	172,189	-2.4
Wisconsin.....	1,468,141	1,355,283	8.3	59,581	41,100	45.0	3.9	1,527,772	1,396,383	9.4
18 counties.....	98,547	109,546	-10.0	7,211	6,358	13.4	6.8	105,758	115,904	-8.8

TABLE IV.—Manufacturing—Value added

[Dollars in thousands]

Region or area	1958	1947	Percent of United States, 1958	Percent change, 1947-58
United States.....	\$141,380,886	\$74,425,825	100.0	90.0
Total, Michigan, Minnesota, and Wisconsin.....	\$14,373,556	\$8,479,498	10.2	69.5
79 upper Great Lakes counties.....	<sup>1</sup> \$554,165	<sup>1</sup> \$315,672	.4	75.6
Percent of 3-State area.....	3.9			
Michigan.....	\$8,363,614	\$5,196,338	5.9	61.0
45 counties.....	\$247,609	\$156,161	.2	58.6
Percent of Michigan.....	3			
Minnesota.....	\$2,050,405	\$1,022,586	1.4	100.5
16 counties.....	\$156,575	\$78,199	.1	100.2
Percent of Minnesota.....	7.6			
Wisconsin.....	\$3,959,537	\$2,260,574	2.8	75.2
18 counties.....	\$149,981	\$81,312	.1	84.5
Percent of Wisconsin.....	3.8			

<sup>1</sup> Information withheld to avoid disclosure of individual establishments on 5 counties in 1958 and 4 counties in 1947.

TABLE V.—Wholesale sales

[Dollars in thousands]

Region or area	1958	1948	Percent of United States, 1958	Percent change, 1948-58
United States.....	\$285,726,904	\$185,276,781	100.0	54.2
Total, Michigan, Minnesota, and Wisconsin.....	\$22,674,671	\$14,167,330	7.9	66.0
79 upper Great Lakes counties.....	<sup>1</sup> \$968,307	<sup>1</sup> \$792,975	.3	22.1
Percent of 3-State area.....	4.3			
Michigan.....	\$11,600,435	\$6,485,958	4.1	78.
45 counties.....	\$342,236	\$210,599	.1	62.5
Percent of Michigan.....	3			
Minnesota.....	\$6,538,039	\$4,934,363	2.3	32.5
16 counties.....	\$430,202	\$375,594	.2	14.5
Percent of Minnesota.....	6.6			
Wisconsin.....	\$4,536,197	\$2,747,009	1.6	65.1
18 counties.....	\$195,869	\$206,782	.1	-5.3
Percent of Wisconsin.....	4.3			

<sup>1</sup> Information withheld to avoid disclosure of individual establishments on 3 counties in 1958 and 9 counties in 1948.

TABLE VI.—Retail Sales

[Dollars in thousands]

Region or area	1958	1948	Percent of United States, 1958	Percent change, 1948-58
United States.....	\$200,370,378	\$129,963,114	100.0	54.1
Total, Michigan, Minnesota, and Wisconsin.....	\$17,329,215	\$12,069,306	8.6	43.6
79 upper Great Lakes counties.....	\$1,575,938	\$1,162,767	.8	35.5
Percent of 3-State area.....	9.1			
Michigan.....	\$8,897,661	\$5,941,538	1.3	49.8
45 counties.....	\$750,399	\$522,304	.4	43.7
Percent of Michigan.....	8.4			
Minnesota.....	\$3,976,493	\$2,896,013	2.0	37.3
16 counties.....	\$494,123	\$380,580	.2	29.8
Percent of Minnesota.....	12.4			
Wisconsin.....	\$4,455,061	\$3,231,155	2.2	37.9
18 counties.....	\$331,416	\$259,883	.2	27.5
Percent of Wisconsin.....	7.4			

TABLE VII.—Agriculture—Value of farm products

[Dollars in thousands]

Region or area	1959	1945	Percent of United States	Percent change, 1945-59
United States.....	\$30,492,721	\$18,108,132	100.0	68.4
Total, Michigan, Minnesota, and Wisconsin.....	\$2,795,813	\$1,786,902	9.2	56.5
79 upper Great Lakes counties.....	\$223,040	\$197,402	.7	13.0
Percent of 3-State area.....	8			
Michigan.....	\$622,960	\$413,404	2.0	50.7
45 counties.....	\$90,642	\$84,430	.3	7.4
Percent of Michigan.....	14.6			
Minnesota.....	\$1,211,750	\$709,861	4.0	70.7
16 counties.....	\$58,067	\$53,090	.2	9.4
Percent of Minnesota.....	4.8			
Wisconsin.....	\$961,103	\$663,637	3.2	44.8
18 counties.....	\$74,331	\$59,882	.2	24.1
Percent of Wisconsin.....	7.7			



Mr. HART. Mr. President, in conclusion, I should like again to refer to the report filed by the Public Works Committee on the Appalachian bill. As one reads the report, he is struck many times by the similarity in need and potential between the Appalachian region and the upper Great Lakes region. I believe the creation of the Appalachian authority will be good both in the short term and long term, not alone for the people of that region, but also for all of the country.

I believe the criteria which have been established are valid. I believe they will be useful in the appraisal of subsequent applications for regional consideration. I believe that the opportunities for all of America and its economic growth, which are reflected in the Appalachian development proposal, likewise can be fruitful and useful to all of America, when those of us from the upper Great Lakes Basin come to the Senate with our proposal.

Mr. President, I do not take the position that because there are regions with equal or greater need we should reject what is now an available tool at hand; namely, the creation of the Appalachian authority. I hope that the creation of the Appalachian authority will not subsequently be used as a reason why members of the Senate should not respond to equally needy regions elsewhere in the country.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. GORE. Should not such a response now to a present need serve as a reason or justification for or an encouragement to provide for additional needs as they may occur?

Mr. HART. I believe the Senator has suggested what logic would compel us to do.

I have heard the argument made that if we do this, the floodgates will be opened. That is not so, any more than that we should say if an earthquake occurs today in California we should not do anything about it because the day after tomorrow an earthquake may occur somewhere else. The test is the need.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. HART. I yield.

Mr. GORE. I have heard a great deal about floodgates. How would the Senator characterize floodgates? If by floodgates is meant that we have a government with a heart and that Congress and the President are responsive to the needs of the country and the will of the people, then let us have more floodgates.

Mr. HART. Yes. The Senator from Michigan wishes he had the ability to express in so short a statement the point made by the Senator from Tennessee. Too often the term "floodgate" is applied to the use of public money for any region or area other than one's own. There is a sort of law of inverse something or other. The farther one gets away from a public works project the more it looks like a boondoggle. The closer to home it is the more value it contributes to the national economy. We have all experienced these things.

I believe we will respond maturely to the recommendations before us from the Committee on Public Works, to do that which will be good for all America, and create this authority. Those of us who are in the Great Lakes Basin area feel that for reasons which are similar we shall soon be in the position of having the Public Works Committee make the same request with respect to our region, and we hope the judgment will be on the same basis.

Mr. RANDOLPH. I commend the Senator from Michigan. I say to him that the Public Works Committee will give very careful and prompt consideration to the needs envisioned in the bill to which he has referred. I compliment the Senator from Michigan. I say to him again what I said earlier during his excellent testimony at the hearing, that where need can be documented, it is the responsibility of Congress to move forward and give prompt consideration, and possibly take favorable action on those proposals.

#### AMENDMENT NO. 10

Mr. LONG of Louisiana. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the amendment be not read, but that it be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, ordered to be printed in the RECORD, is as follows:

(c) No part of any appropriated funds may be expended pursuant to authorization given by this Act involving any scientific or technological research or development activity unless such expenditure is conditioned upon provisions effective to insure that all information, copyrights, uses, processes, patents, and other developments resulting from that activity will be made freely available to the general public. Nothing contained in this subsection shall deprive the owner of any background patent relating to any such activity, without his consent, of any right which that owner may have under that patent. Whenever any information, copyright, use, process, patent or development resulting from any such research or development activity conducted in whole or in part with appropriated funds expended under authorization of this Act is withheld or disposed of by any person, organization, or agency in contravention of the provisions of this subsection, the Attorney General shall institute, upon his own motion or upon request made by any person having knowledge of pertinent facts, an action for the enforcement of the provisions of this subsection in the district court of the United States for any judicial district in which any defendant resides, is found, or has a place of business. Such court shall have jurisdiction to hear and determine such action, and to enter therein such orders and decrees as it shall determine to be required to carry into effect fully the provisions of this subsection. Process of the district court for any judicial district in any action instituted under this subsection may be served in any other judicial district of the United States by the United States marshal thereof. Whenever it appears to the court in which any such action is pending that other parties should be brought before the court in such action, the court may cause such other parties to be summoned from any judicial district of the United States.

Mr. LONG of Louisiana. This is the same amendment that I offered yesterday. The issue has been voted on. The amendment provides that the benefits of the research authorized by the program shall be made available for the benefit of all sections of the Nation and for the enrichment and benefit of the 180 million people of our country.

I have discussed the amendment with the Senator from West Virginia, the distinguished Senator in charge of the pending bill. He voted for a similar amendment yesterday, and he has assured me that he felt my amendment was a proper amendment to be added to the pending bill.

I believe that the issue was decided yesterday. I believe the distinguished Senator from West Virginia is willing to accept the amendment and use his best efforts to prevail with it in any conference held with Members of the House of Representatives. I do not believe it requires any further discussion.

Mr. RANDOLPH. Mr. President, in response to the Senator from Louisiana, I would say that the Senate placed its stamp of approval upon a similar amendment to another bill yesterday. The Senate therefore set down its intent. I have every reason to believe that if we were to take a vote again on the issue, today, tomorrow, or the next day, the result would be approximately the same. The issue has been resolved. The arguments have been made. So on behalf of the committee, I accept the amendment of the Senator from Louisiana.

Mr. COOPER. Mr. President, before that is done, I must suggest the absence of a quorum.

Mr. LONG of Louisiana. Mr. President, if the Senator wishes a vote on the question, I would be glad to withhold my amendment until Monday. I feel confident that the amendment will carry by a bigger vote on Monday than it carried yesterday. But if the Senator would like to have a yea-and-nay vote on the amendment, I should be glad to withhold it until then.

I believe it will win by a larger vote on Monday than it did yesterday.

Mr. COOPER. That is the judgment of the Senator from Louisiana.

Mr. LONG of Louisiana. If the Senator would like to have a yea-and-nay vote on the amendment, I will withhold the amendment and bring it up on Monday.

Mr. President, I withhold the amendment.

The PRESIDING OFFICER. Does the Senator from Kentucky withdraw his request for a quorum call?

Mr. COOPER. Mr. President, I ask unanimous consent that my suggestion of an absence of a quorum be withdrawn.

The PRESIDING OFFICER. Without objection, it is withdrawn.

Does the Senator from Louisiana withdraw his amendment?

Mr. LONG of Louisiana. Mr. President, I withdraw my amendment. I should like to give notice that I shall ask for a yea-and-nay vote on the amendment Monday.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.



Mr. RANDOLPH. Mr. President, I now wish to say that on Monday I shall vote for the amendment of the Senator from Louisiana.

Mr. CLARK. Mr. President, will the Senator from West Virginia yield?

Mr. RANDOLPH. I yield.

Mr. CLARK. I have a purely technical amendment to propose.

On page 25, lines 5 through 11, ending with the word "project," contain what is essentially a typographical omission. The language starting in italic on line 3 and ending with the word "with" on line 16 was presented by my colleague [Mr. SCOTT] and myself to the subcommittee which is presided over by the Senator from West Virginia [Mr. RANDOLPH] at the request of Governor Scranton of Pennsylvania. The proposed changes deal entirely with projects having to do with strip mining. When I read the language this morning more carefully, as I should have done earlier, I thought it did not parse in English. We called Harrisburg and found that there had been a typographical mistake. I have discussed the question with the Senator from West Virginia [Mr. RANDOLPH] and the Senator from Ohio [Mr. LAUSCHE].

I ask unanimous consent to amend the language appearing in line 4 through line 16 on page 25 as follows:

On line 4, after the word "where," and before the word "expected," insert in parentheses arabic "1."

On line 5, after the semicolon, following the word "costs," and before the word "access," insert in parentheses arabic number "2."

On line 7, at the end of the word "appropriate," insert a semicolon and immediately thereafter insert the word "and" and, in parentheses, arabic "3."

Those changes would make clear what was intended and would remedy the typographical error to which I referred. I hope my friend from West Virginia will accept the amendment since, as I have said, it is purely technical.

Mr. RANDOLPH. I am prepared to accept the amendment. The amendment has been discussed with Senators, including the Senator from Ohio, who has a particular interest in this subject.

Mr. CLARK. Mr. President, may we have a vote on the question?

The PRESIDING OFFICER. Without objection, the amendments are considered and agreed to en bloc.

The amendments agreed to en bloc are as follows:

On page 25, line 4, after the word "where" insert "(1)";

On page 25, line 5, after the semicolon, insert "(2)";

On page 25, line 7, after the word "appropriate" insert the following: "; and (3)."

Mr. LAUSCHE. Mr. President, will the Senator from Pennsylvania yield for a question?

Mr. LONG of Louisiana. Mr. President, I thought I had the floor.

The PRESIDING OFFICER. The Chair will recognize the Senator from Louisiana.

Mr. LAUSCHE. Mr. President, who has the floor?

Mr. LONG of Louisiana. Mr. President, I have been recognized.

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield the floor?

Mr. LAUSCHE. Mr. President, I would like to know who has the floor.

Mr. LONG of Louisiana. I sought recognition.

The PRESIDING OFFICER. Did the Senator from Pennsylvania yield the floor?

Mr. CLARK. If the Senator from Louisiana would permit me to yield briefly to the Senator from Ohio, if he wishes to speak in reference to the amendments I have proposed—

Mr. LAUSCHE. I will yield, but I think we are all entitled to equal consideration on this floor whether the Senator speaking is the leader of the majority or not.

Mr. LONG of Louisiana. Mr. President, I asked for recognition. The Senator from Ohio did not ask for recognition.

The PRESIDING OFFICER. The Chair advises the Senator from Louisiana that the Senator from Pennsylvania has the floor. Does the Senator from Pennsylvania yield the floor?

Mr. CLARK. Mr. President, in the interest of international amity I yield the floor.

Mr. LONG of Louisiana. Mr. President, I thought I had recognition. If I have now been recognized, I should like to ask the Senator from Ohio whether he wishes me to yield to him.

Mr. LAUSCHE. No; I shall obtain the floor in my own right.

Mr. LONG of Louisiana. Mr. President, let me put my colleagues on notice that yesterday I submitted an amendment to S. 3, the proposed Appalachian Regional Development Act of 1965. That amendment has been printed and lies at the desk. It attempts to do for the Appalachia bill what the Senate voted yesterday 50 to 28 to do for the Water Quality Act of 1965; that is, to provide that patents resulting from any research under the legislation shall be freely available to the general public. I intend to call this amendment up at an appropriate time during the discussion of the Appalachia bill.

Mr. LAUSCHE. Mr. President, my remarks will be directed to the Senator from West Virginia. I invite his attention specifically to page 23 of the bill, in its treatment of the rehabilitation of anthracite coal mine lands and strip-mine lands. The original bill as it went to the committee was changed in committee, as I understand.

Mr. RANDOLPH. That is correct.

Mr. LAUSCHE. There was added to the original bill the provision, under that paragraph, that "The Secretary of the Interior is authorized to reclaim and rehabilitate existing strip- and surface-mine areas." Those are the words in line 15.

Mr. RANDOLPH. The Senator is correct.

Mr. LAUSCHE. Does that language in paragraph (1) give to the State of Pennsylvania any special rights that are not given to the other States in the Appalachian region?

Mr. RANDOLPH. It does not. It gives to the States within the Appalachian region the assistance which had been extended to the Commonwealth of Pennsylvania in the act of 1955. In other words, we broaden the provision to make available to the other States and the bituminous coal regions of Appalachia, the same assistance previously available only to Pennsylvania for its anthracite region.

Mr. LAUSCHE. That is, under the act of July 15, 1955, as set forth in 30 U.S.C. 571, special applicability was given to the State of Pennsylvania.

Mr. RANDOLPH. It applied only to Pennsylvania.

Mr. LAUSCHE. The language as now written in the bill contemplates making applicable the provisions of this bill—

Mr. RANDOLPH. To Ohio and the other States in the region.

Mr. LAUSCHE. The other States in Appalachia?

Mr. RANDOLPH. The Senator is correct in his statement.

Mr. LAUSCHE. I appreciate this elucidation of the meaning of the language.

Mr. RANDOLPH. I thank the Senator from Ohio.

Mr. LAUSCHE. Mr. President, several weeks ago, I introduced a bill which, if passed, would authorize the making of a comprehensive, long-range study of strip mining, its ravages, and its cures. In conversation with a representative of the Department of the Interior, I was asked if I would have any objection to the inclusion of the text of my bill in the Appalachia bill. I told the representative of the Department of the Interior that I had no objection. The main part of my bill, calling for a study of strip mining, is now included in the Appalachia bill. I should like to discuss what the bill proposes, because I believe the RECORD ought to show it. This information will be of interest to Ohioans and to persons residing in every State in which strip mining is now being done.

My bill, and now the Appalachia bill, call for a study under which consideration would be given to the following matters: First, the nature and extent of the strip and surface mining operations in the United States and the conditions resulting therefrom. Anyone who has moved through Ohio by automobile south of U.S. Route 40 and east of the Scioto River, where the strip mining has been done, and has seen the results that have come to the land because of the strip mining operation, has, I am sure, bowed his head in a bit of shame and grief to behold what the human hand has done with the lovely, rolling, beautiful lands that once distinguished that area.

Ohio has a county named Harrison, in which is located the town of Cadiz. By the way, it was the home of Clark Gable, and General Custer was born there. At one time it was the richest sheep-growing county in the United States. It had rolling hills covered with grass and an ample water supply for the cattle and sheep. But now it is a barren land that has been stripped from the north to the south



boundary and to the east and west. Some reclamation has been done, but most of it has been along the highways, where the eye of the traveler is supposed to see that there has been restoration.

But if one departs from the main highways and goes into the interior, he sees a bleak, sterile land from which wildlife has moved, where the water table has become lowered, and vegetation is no longer present, but a barren desert exists.

To make things worse, the strip miners, with 100-foot booms, pick up in one bite huge amounts of top soil and top land, including vegetation. When I was Governor it was 50 tons; I think it is 100 tons now. This has left vertical walls that rise, in some instances, 100 feet into the air.

I have received a statistical table showing the number of acres of coal lands stripped in the United States. It disclosed that in Ohio more than 180,000

acres have been stripped, and less than 150,000 acres reclaimed. Whatever reclamation was done, was done in pursuance of laws which I, with the expenditure of the greatest of energy possible, got a reluctant legislature to pass, and thus, in a measure, disobey the commands of the strip miners. But the law was never adequate. It is not adequate now.

Mr. President, if one can imagine a piece of rural land with the shale and the rock exposed, the vegetation down below the shale, and, at various intervals, 100-foot cliffs, one will get an idea of what use that land might be put to: no use whatsoever.

Mr. President, I ask unanimous consent that a table showing areas of coal land strip mined and areas reclaimed be inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Areas of coal land strip mined and areas reclaimed*

[Acres]

State	Strip mined	Reclamation		Reclamation required by law
		Voluntarily	By State	
Alabama.....	5,189	(1)	(1)	No.
Alaska.....	230	0	0	No.
Arkansas.....	4,480	(1)	(1)	No.
Colorado.....	900	(1)	(1)	No.
Georgia.....	165	(1)	(1)	No.
Illinois.....	94,080	0	3,178	Yes.
Indiana.....	75,182	(1)	(1)	Yes.
Iowa.....	3,500	0	0	No.
Kansas.....	49,000	0	2,728	No.
Kentucky.....	47,000	5,150	26,850	Yes.
Maryland.....	640	341	102	Yes.
Missouri.....	33,344	0	0	No.
Montana.....	1,200	0	0	No.
New Mexico.....	60	0	0	No.
North Dakota.....	5,000	0	0	No.
Ohio.....	183,134	23,000	119,327	Yes.
Oklahoma.....	17,920	(1)	(1)	No.
Pennsylvania.....	111,744	0	2113,908	Yes.
South Dakota.....	160	(1)	(1)	No.
Tennessee.....	15,554	(1)	(1)	No.
Virginia.....	14,021	(1)	(1)	No.
Washington.....	300	0	0	No.
West Virginia.....	103,100	0	263,300	Yes.
Wyoming.....	600	0	0	No.
Total.....	766,503	28,491	329,393	

<sup>1</sup> Unknown.

<sup>2</sup> Approximately 25 percent of this total acreage is non-coal-bearing land covered by contour coal-stripping operations.

Mr. LAUSCHE. The Legislature of Ohio is now considering the enactment of a law that would have some semblance of restoring the land to a topography having a reasonable relationship to the land as it was before the strip mining began. The proposed law would require the covering of the land with trees, grass, and whatever other vegetation might grow thereon.

I hope that those who are promoting the law will have greater success than I have had. I do not mind saying that never did I suffer such frustration in attempting to achieve what I thought every reasonable mind would subscribe to than I did in witnessing the deafness and indifference of the men who had it within their power to adopt the law and insure in some measure that prosperity would bequeath to the land some semblance of the scenic beauty with which it was vested by the Maker of the earth.

While I am on that subject, though it may not sound well, I cannot help but

think of the Biblical narration on the creation of the earth, that the Lord created grasses upon the earth and they were good. Grasses were created on the lands of Ohio. They were good, but they are no longer there.

That applies to the trees, the flowers, the shrubs, the fowl of the air, and the four-legged animals of the earth, which have been driven out.

In southern Ohio, there is a newspaperman by the name of Milton Ronchien from Cadiz, in Harrison County. We also have a very lovable editor and writer by the name of Mattson in Morgan County. These men have lived in that area for years. They know what the land once was. And they know what it is today. I only wish that they could testify to the people of the Nation as to what happens when the strip mining boom begins to operate.

The Washington Post had an editorial about 6 weeks ago which expressed its judgment that the State of Maryland

was in error in leasing its State parks and part of its State land to strip mining operators.

The people who did that have no concept of what will happen to their parks. I believe that there is not a single Senator who has traveled through the strip-mining areas who will not subscribe to what I am saying. But the damage does not come only to the land that is stripped. When we expose coal to the air and to the water, a poison is generated. Then that poison is moved down through the creek and into the streams. So, not only the people living within the area, but also those living adjacent to it are affected by what is done.

I shall read the first paragraph again. It reads:

A study shall be made to ascertain the nature and extent of strip and surface mining operations in the United States, and the conditions resulting therefrom.

The second requirement is that it be ascertained as to what the ownership of the real property involved is. I made inquiry of the Department of the Interior in a letter which I wrote a month ago—but I did not get an answer until yesterday or today—as to how much land belonging to the United States has been strip mined. There have been 5,000 acres. I must say, however, that the major part of it was strip mined prior to 1948. But, even then, it should not have been done and should not have been allowed by any Secretary of the Interior who had a real devotion to the preservation of our natural resources.

This paragraph, requiring a study of the ownership, will become particularly important. The Appalachia bill, which I anticipate will be passed, will permit the United States to go into the strip-mining areas and spend money to rebuild the land.

The bill as originally introduced—and I was shocked by the proposal—intended that we should rebuild the land of private owners. In the first place, they butchered it. And now it is proposed that we spend the taxpayers' money to replant the land. This is proposed, with the proviso, of course, that it may then be used by the public. But the ownership would still be in the private owner.

I can visualize the great glee of the large strip-mining companies when they are told, "Now that you have ruined and devastated the land, the taxpayers of the United States will spend their money to repair the wrong which you did. They will allow you to keep the ownership of the land."

Therefore, this mandate will be materially helpful in determining what shall be done when the study is completed.

The third requirement of the study is that the study shall ascertain the effectiveness of past action by States or local units of government to remedy the adverse effects of strip and surface mining operations by financial or regulatory measures and requirements for appropriate State legislation, including adequate enforcement thereof, to provide for proper reclamation and rehabilitation of areas which may be strip and surface mined in the future.



This mandate, Mr. President, is of extraordinary importance, because it directly states that the agency that makes the study shall recommend what the States will have to do with respect to the adoption and enforcement of adequate laws as a prerequisite to the right to receive the benefits of the Appalachia bill and such other bills as may be passed in the future.

I can well envision that after this study is completed on July 1, 1967, a bill may be written which will provide that unless there is an adequate law, properly enforced, to restore the land, there shall be no benefits under this act.

No. 4: The State shall determine the public interest and the public benefits which may result from reclamation, rehabilitation, and appropriate development and use of areas subjected to strip the surface mining operations.

There is other material in this paragraph which I shall not read. I would prefer that we spend no moneys on the reclamation project as contemplated by S. 3 until the study has been completed. However, I realize that my voice is one crying in the wilderness when I ask, "Do not do anything now. Do not spend the taxpayers' money now until we find out what the study shows."

It has been indicated to me, however, by the sponsors of the bill, that they are willing to accept an amendment that will prohibit the spending of any money under this bill to reclaim and rehabilitate privately owned land, as distinguished from lands owned by the U.S. Government, the States, and the local subdivisions of government.

I believe that is a rather substantial improvement, which would protect the interest of the taxpayer, giving the Congress an opportunity, after July 1, 1967, to pass laws that will conform with the recommendations made in the study.

Mr. NELSON. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. NELSON. If we follow a policy, in effect, of serving notice on private owners of coal mines that they can continue to devastate the landscape and we will follow behind them with Federal money to restore the land, what is going to be the consequence?

Mr. LAUSCHE. Every one of us ought to be kicked down Constitution Avenue and kicked into the Potomac River if we did that. I realize that that is not answering the question. The question of the Senator is extremely pertinent.

If we now proceed to spend the taxpayers' money to reclaim this land, privately owned, we merely tell the strip miners, "Go ahead, do the damage. The responsibility for paying for the damage, in dollars, will be assumed by the taxpayers." That is my interpretation.

Mr. NELSON. I had occasion to fly over a part of Ohio in a private plane, as well as over Kentucky. It was 2 days after a rainstorm. As I flew over that countryside, looking at it, there were giant gaps in the landscape for miles and miles and miles, where the coal had been pulled out, and the overburden left lying on the landscape. With each rainfall

there was erosion of soil. As far as one could see the streams and rivers were the color of clay.

The State governments have not moved ahead with the appropriate legislation to require restoration by the companies that are desecrating the landscape, and having peripheral effect for hundreds of miles around, by way of erosion and destruction of water basins. The State governments will never have the courage to tax this kind of activity in order to restore the overburden and enable the land to be used.

Is it not about time that we levied some Federal tax on the extraction of these ores? They are going over interstate boundaries; they are polluting streams; they are leaving the countryside devastated, to the extent that it will never be able to be lived on. Is it not time that we required the imposition of taxes for the restoration of the overburden and of the landscape so that the waters of the river valleys are not polluted?

Mr. LAUSCHE. I thank the Senator for his sympathetic expression of the problem facing the States in which strip mining is done.

About 3 weeks ago I listened to the "Today" program. There was a showing of a strip-mining operation in Illinois. A huge machine, with a boom of more than 100 feet, was shown. It was described that with each bite 100 tons was picked up, according to my recollection. Then, to my great surprise, the narrator stated that an economic boom has been brought to southern Illinois by the reawakening of the coal business and employment and the reduced price that the producers can charge for the coal obtained by strip mining.

If only 1 or 2 cents of that reduced price were invested in the restoration of the land, we could feel that we had not robbed the land, and had done something about making it available for those who will follow us.

I frequently think of the Mediterranean lands, where our youth fought in World War II. They were once a paradise. There was verdure and vegetation there, but now it is barren land. Unless we are careful, we shall be doing the same thing with our lands in the United States. That, in my judgment, is contrary to sound economics. It is violative of good conscience. It certainly is not consonant with principles of a decent American.

I thank the Senator from Wisconsin for his sympathetic expression of how this problem ought to be solved.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. COOPER. I have been listening with great interest to the remarks of the Senator from Ohio, as well as the interpolation of the Senator from Wisconsin. I know that at some time the Senator from Ohio will be proposing ideas as to what should be done with this section of the bill.

The discussions of the bill as to those purposes were directed toward the same end the Senator is seeking. I know he and other Senators took the lead in this field by introducing a bill which would

cause an investigation of this subject, in order to move toward correcting the consequences of strip mining. I had the same experience and observations the Senator from Wisconsin had with respect to the situation in other areas and in my own State of Kentucky.

In the eastern part of the State where what is called strip mining is carried on, the drillers go into the side of a hill, and the mining companies have circled the hills as they stripped the coal from the easiest places where the seams can be reached. But in the western part of Kentucky, where the land is flat, where there are great coal resources, the mine operators with their great shovels simply turn over a whole county and leave it with the subsoil and the poor soil lying there where the richer surface soil, built up over many years, once lay.

Last year, I received a letter from an official in one of these counties, declaring that the whole county had gone and asking what they could do. Of course, we are faced with the fact that the landowners allow the strip mining, and it becomes a private matter. If no action is taken on the part of the State to correct the situation by rehabilitation, that land is gone for at least a great many years.

I ask the same question about this situation that the Senator has raised, whether we are permitting the Federal Government to assume a burden which is properly a responsibility of the State, and certainly of the private owner under certain laws in many of our States.

I believe that the report and the language in the bill answer at least in their intention the questions which the distinguished Senator has raised. If land is owned publicly, it would seem that the Federal Government or the State government should never have allowed this practice to exist without proper provision being made for rehabilitation. I do not believe that the National Park Service would allow strip mining. But if it does, it requires rehabilitation, as should be the case on lands under other Federal agencies.

There may be lands which the Forest Service or other national agencies have acquired, which were already affected by strip mining when they were purchased. Then looking again at the situation with respect to privately owned land in many States, including the one I represent—and Kentucky has adopted legislation which is designed to assure the rehabilitation of land which has been strip mined, requiring bonds before such an operation is started, and requiring certain sums to be applied toward rehabilitation—I do not believe the State laws would be fully adequate.

I also agree with the Senator from Wisconsin in his doubt that this kind of legislation is strictly enforced. But if private lands were stripped before legislation became applicable, and they are now owned by small operators who do not have the resources to rehabilitate the land, and further, if that land affected the water and affected the public interest, I believe that this section would be properly applicable to assist in the correction of abuses in the public interest, because



the private owner does not have the resources.

I would ask these questions in accordance with the responses given and in accordance with the report. It is intended that the administrator of the program will not allow it to become a substitute for State action, or for private responsibility. But when there is a lack of ability on the part of the small owners to rehabilitate their land, and where the public interest is affected, I believe it is perfectly proper, in that case, that this section should apply.

Mr. LAUSCHE. I do not believe that we can overemphasize what the Senator said a moment ago, that we do not wish the proposed law to become a substitute for what the States and the coal-mining companies should do toward rehabilitation. The Department of the Interior and the Commissioner who will have charge of the administration of the proposed law should know that it is not intended to be a substitute for the responsibilities of others. It would be an unjustifiable travesty to say, "You do the damage. The Federal Government will pay for the damage."

I thank the Senator from Kentucky for his comments.

Mr. COOPER. Let me say, also, that if there is a State development program underway—such as exists in my State, and I am sure in other States—taking into consideration the factors just mentioned in regard to the responsibility of States and private owners, I should think at that point, if all combined to effect such a rehabilitation to protect the public interest, it would be perfectly proper to supplement those efforts with funds provided under this section. After all factors are considered, owing to the limited amount of money available, these kinds of effort must be considered almost as part of a demonstration project. Thus, both in the authority provided the Federal Government in cooperation with the States, and in the authorization for a survey, there is great value connected with the objectives which the bill, we hope, will assure.

While we are discussing this section of the bill and this subject, I would add one further comment. It is very difficult, especially for some of the smaller companies, to undertake this vast job of rehabilitation, because it is a costly enterprise. In weighing this need, I do not know how one easily balances the need for employment and the need for production of coal. Against those reasons, and considering the great public interest, I believe that the public interest is superior.

I know of companies with great resources. I know of one in particular, in western Kentucky, which supplies millions of tons of coal to the Tennessee Valley Authority. It is one of the biggest companies in the United States, but it is literally tearing up counties in that part of Kentucky. Although its operations are subject to State laws, I do not believe this company, the Peabody Coal Co., has made any great effort on its own to correct the situation. While a company such as this one may follow the

law—and I am sure it obeys the law—the results of its operations often show that State legislation is not strong enough to compel it to do anything, although it has the resources to mine all this coal. This kind of operation leaves areas of the State despoiled, and it results in land being left unfit for agricultural pursuits or other purposes, and it gives an example of the situation this bill seeks to begin to correct in the interest of the people and communities throughout this Appalachian region, and in the national interest.

Mr. LAUSCHE. The Peabody Coal Co. also operates in Perry County, Ill. That is the company that sponsors the "Today" program.

Mr. NELSON. Mr. President, let me say to the Senator from Kentucky that I have not expressed an opinion on that section of the bill. I am inclined to support any reasonable proposal that would result in a restoration of the land in this country. If this will serve as an experimental proposal, on which some ideas can be developed as to what we can do for restoration, I am for it. I was attempting to raise the question with the Senator from Ohio to point out that it would be a tragic thing if we gave the coal companies the idea that they should be able to continue desecrating the landscape and that the Federal taxpayer will continue to follow them, from now on into the future, and clean up the messes which they will create.

It is about time that we addressed ourselves to some creative solution at the national level—I understand what the political problem is at the State level—the States appear unable to act. Therefore we should address ourselves to that issue. If it is a valid exercise of Federal power, we should levy taxes for restoration purposes, if the companies are not willing to do it themselves.

This is only one part of a scheme for the exploitation and destruction of the countryside. The timber people did it first. They are still at it in the Far West.

Industry has polluted our rivers so that, so far as I know, there is not a single major city in America which has a clean river running through it.

The Great Lakes are well on their way to pollution. We are on the way to polluting them with sewage from our cities and industrial waste. We in fact are destroying all of our resources in a senseless fashion—all in the name of economic progress.

This business of permitting the extractive industries, such as the coal industry, to move on, leaving a situation in which only English sparrows and rodents can survive ought to be halted now.

I make the point that this is a part of the whole scheme of water pollution, soil destruction, and forestry destruction, to which this Congress ought to address itself with a great deal more creativity and a great deal more money than it has done thus far.

Mr. LAUSCHE. Mr. President, the Senator from Kentucky is of the opinion that we are not authorizing the spending of much money. I believe \$37.5 million would be authorized in the bill.

Mr. COOPER. I meant that not much money was being applied to the problem.

Mr. LAUSCHE. Yes.

Mr. COOPER. It would require hundreds of millions of dollars to rehabilitate this land.

Mr. LAUSCHE. I believe we are putting too much money into this whole enterprise, because we will give encouragement to the strip miners to go ahead. We would authorize \$36,500,000 of taxpayer money to pay for the damage done by the strip miners. I cannot see it.

Mr. President, I yield the floor.

Mr. CLARK. Mr. President, I strongly support the provisions in the pending bill which deal with strip mining, to repair the devastation done by the coal industry in Appalachia over the last several generations. The provisions I refer to are in section 205 of the bill, starting at page 22 and running down to the middle of page 28.

I ask unanimous consent that the very cogent justification for these provisions, enabling the ravages of strip mining to be repaired, at least to some extent, with financial assistance from the Federal Government, which appear on pages 16 to 20 in the committee report may be printed in full in the RECORD at this point in my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

#### COAL

The fundamental problems that have arisen from the mining of coal in Appalachia demand solutions as part of any serious attempt to improve the Appalachian economy.

Despite drastic reductions of employment in the past two decades, the production and transportation of coal still remains as the single largest source of employment in Appalachia. Nevertheless, automation in the mines and shrinking markets have worked together to reduce coal employment by hundreds of thousands of jobs in the past 15 years.

The severely depressed economic conditions that exist in many sections of Appalachia are invariably the direct result of the decline of the coal industry. The mechanization of the industry has brought about a technological revolution in Appalachia, to which the painful period of adjustment has not yet been completed.

But the production of bituminous coal in the region can exert a stabilizing influence on the Appalachian economy. Thus, as part of the economic development plan for Appalachia, the State and Federal Governments should take every measure to encourage the production of bituminous coal.

Much of the Appalachian landscape has been ravaged by the mining of coal. Former practices of both strip mining and deep mining operations have eroded the hillsides, polluted the streams, and endangered the lives of thousands of people. Though present enlightened management practices have made great progress over former years, the abuses of past coal mining practices serve as a major deterrent to industrial and recreational development in Appalachia.

Local and State governments have not had the necessary resources to repair the widespread damages caused by coal mining. Strip mining in the region causes substantial erosion and polluted streams both locally and many miles downstream. Many Appalachian cities and towns are threatened by subsidence of lands into the coal mines that lie beneath, threats to all who are exposed to them. Unsealed underground mines have



leaked enormous quantities of acid into Appalachian streams and rivers, creating serious water pollution problems. The reclamation of lands damaged by past mining operations is crucial to stimulating economic development in Appalachia. This committee therefore endorses the administration's recommendations for a comprehensive program to restore and reclaim the land and water resources of Appalachia which have been damaged by past mining practices.

Section 205 of the bill expands federally authorized programs which now make available limited funds to meet some of these problems.

The Secretary of the Interior is authorized to repair damage caused by mine subsidence throughout Appalachia on a scope greater than that provided under existing legislation.

The existing mine-fire-control program has had its appropriations limitation increased and the Fish and Wildlife Service has been authorized additional funds to restore areas damaged by mining practices.

The Federal contributions to all programs referred to in section 205(a) are established at not to exceed 75 percent by the bill. Furthermore, these new appropriations will not counted in any computation of apportionments to the States under the existing national programs. In order to insure that private landowners do not receive a windfall from strip-mine reclamation, such projects will be carried out only on those lands to which the public has access or from which a public benefit will result.

The Secretary of the Interior will undertake a strip-mine study in full cooperation with appropriate Federal, State, and local departments and agencies and the Commission. The Secretary is to submit to the President, and the President to Congress, by July 1, 1968, detailed recommendations for a long-range comprehensive program for reclamation and rehabilitation of strip- and surface-mined areas in the United States and for the policies under which the program should be conducted. The Secretary is further required to make an interim report to the Commission summarizing his findings with regard to those aspects of strip- and surface-mining operations in the region most urgently requiring attention.

The study will consider the nature and extent of strip mining and its results; the effectiveness of State and local control over strip-mining activity including the enforcement of State legislation; the public interest and public benefits resulting from reclamation activities; the appropriate cost-sharing roles of Federal and State Governments and private interests, and other relevant topics.

The committee would emphasize that private landowners will not be unjustly enriched under the proposed reclamation and rehabilitation program, and that all reclamation and rehabilitation work will proceed under authority of present statutes. Pending submission to the Congress of the results and recommendations of the study authorized in section 205(c), all fish and wildlife restoration of strip-mined areas will be confined to pilot projects which will be part of the study itself.

The committee has given careful deliberation to the above issues, during its prior consideration of S. 2782, and on August 12, 1964, received specific assurance from the Secretary of the Interior regarding the administration of the proposed reclamation and rehabilitation program. The letter from Secretary Stewart L. Udall follows:

DEPARTMENT OF THE INTERIOR,

OFFICE OF THE SECRETARY,

Washington, D.C., August 11, 1964.

Hon. JENNINGS RANDOLPH,  
U.S. Senate, Washington, D.C.

DEAR SENATOR RANDOLPH: In response to your inquiry about the provisions of section 205 of H.R. 11946, the proposed Appalachian Regional Development Act of 1964, which

would provide, among other things, programs for mining area restoration, we are happy to give you our understanding with regard to the language of the bill and with regard to the role of this Department in carrying out the proposed programs.

All of the programs provided under section 205, subsections (a) and (b), are either extensions of existing authority now exercised by this Department, or the provision of additional funds to accelerate such departmental activities in the Appalachian region.

Section 205(a)(1) extends the scope of the act of July 15, 1955, regarding the sealing and filling of voids in abandoned coal mines from the anthracite region of Pennsylvania to the entire Appalachian region.

Section 205(a)(2) removes the \$500,000 limit contained in the act of August 31, 1954, on annual expenditures for control of fires, insofar as fires in inactive coal mines in the Appalachian region are concerned.

Section 205(a)(3) permits the allocation of funds for fish and wildlife restoration in the Appalachian region under the provisions of the Federal Aid in Wildlife Restoration Act of 1937 and the Federal Aid in Fish Restoration Act of 1950.

Each of these programs has been in operation for some time, and each has carefully been managed to serve the public interest. No private landowners will be unjustly enriched by the activities proposed.

In the filling and sealing of voids to prevent surface subsidence, the Department always requires that work be done underground only where title to the underground coal has been assigned to a local public body—usually a city or county. No further mining is, therefore, permitted to undo the subsidence control work. Surface land is, of course, benefited by the prevention of cave-ins, but this serves to protect innocent property owners, public and private, rather than to enrich them.

In the controlling of mine fires, only fires in inactive deposits may be controlled under the program. No fire is extinguished until title to the coal measures is obtained by the Government. Ordinarily, title is given to the Government because burning coal seams are of little value to the owners of the mineral rights. Fire control is accomplished by introducing nonflammable materials, primarily sand and gravel, into the voids surrounding the burning coal, thus cutting off the oxygen supply. Such control eliminates the hazards to health and safety created by such fires, but generally renders the coal seam unfit for further mining operations. Surface title to land over a mine fire is not obtained and does not seem necessary to accomplish the public purposes intended. There is no profit to any private landowner from the fire control work. There may, of course, be protection from threatened damage—as in the case of preventing cave-ins.

The fish and wildlife restoration work intended in the first 2 years of the program would be a pilot project in a surface mined area in Appalachia—to be undertaken by the appropriate State conservation agency. The mines involved will have to have been abandoned—with no legal recourse available to oblige the former mine operators to undertake restoration work. Biological, economic, and other data obtained from this experiment will indicate the feasibility of using the grant-in-aid program for fish and wildlife restoration by the States to mitigate the deleterious consequences of surface mining in the Appalachian region. This program has been used successfully to restore surface mined areas in less mountainous areas in Midwestern States. Care will be taken to prevent private enrichment from the program by requiring permanent easements for public fishing and hunting on all property to be rehabilitated and by agreements on the part of property owners to maintain the re-

stored conditions. Although some owners, conceivably, may be able at some future time to realize a higher sale value for their land because of its enhanced beauty, the public right to hunt and fish and the ecological conditions promoting hunting and fishing will be secured. Inasmuch as these constitute a sufficient public benefit to undertake the improvements and since the easements will extend to all future owners of the property, we do not believe the affected property owners will be directly enriched at public expense.

This pilot project will contribute to the overall value of the national study of surface mining which it is proposed that the Department also undertake.

In testifying before the House Committee on Public Works on May 6, 1964, I observed:

"An active program to remove the scars of surface mining is more complex. The largest coal mining States in Appalachia now have laws designed to regulate future surface mining and to induce mine operators to restore the land. We do not propose continuously to sweep up after tomorrow's surface miners. We believe the States can and will insist that the mine operators do that job themselves.

"The chief problem lies in the surface mines which were abandoned before State statutes were passed. Many of these were occasioned by the emergency of the Second World War, when the urgent need for coal and the shortage of labor led to hasty surface mining without planning to control the consequences. Surely the Nation has an obligation to help heal these sores.

"Such restoration work however, raises thorny policy problems. Much of the ravaged land is privately owned. Ownership often is divided between a surface owner—who usually holds a small acreage—and the owner of mineral rights—usually a large mining company. In its present condition, the land is virtually worthless, although more coal seams lie beneath some of it.

"If land is restored to productive use, who is to benefit from the increased value? Should the surface owner be free to use the land or to sell it at a substantial profit without contributing to the cost of its restoration? We think not. What, then, is the extent of his obligation to support the restoration? Costs of restoration may run from \$50 to \$600 per acre, or even more. In many instances this cost is far above the present value of the land and exceeds the probable value of the land after restoration.

"Yet to leave such sores unrepaired will mean continued destruction of other land, pollution of water supplies for towns and cities downstream, elimination of recreational values for citizens of a wide area, and other evils. We believe, therefore, that a reasonable formula must be devised to determine the fair proportion of restoration costs which the surface owner can afford to pay—either at time of restoration or when such land is sold.

"But what of the owner of the mineral rights? Is he to remain free to return for coal still deeper in the earth? How are we to prevent destruction of the restoration effort by future surface mining in the restored area? Are we to depend upon existing control statutes to protect the public investment? We hope that we can, but a careful determination of that prospect must be made.

"What return should the public expect for its investment in restoration on private land? For example, should public access for fishing and hunting be a condition where land is restored primarily for fish and wildlife benefit?

"These and other similar questions cannot be settled here today. They will require a systematic study of the extent of the surface-mining problem of Appalachia, a careful examination of the policy issues, the proposal



of effective techniques for reclamation and of equitable procedures for its accomplishment—thorough discussion of the proposals with the people of the affected States, and then the consistent adherence to agreed upon policies by all participating Federal and State agencies in the execution of the restoration program. For that reason, the bill \* \* \* proposes such a study by the Department of the Interior in full cooperation with other appropriate Federal agencies and the President's Appalachian Regional Commission."

We intend in submitting our report on surface mining in the United States to recommend appropriate concerted action by the Federal Government, the States, local governments, and private parties to meet the surface-mining problem intelligently in the public interest.

We appreciate this opportunity to explain our understanding of section 205 of H.R. 11946. If we can be of further help please let me know.

Sincerely yours,

STEWART L. UDALL,  
*Secretary of the Interior.*

As the Secretary of the Interior, Stewart L. Udall, has testified, and as is acknowledged by all authorities in the field, one of the principal deterrents to the industrial, commercial, and recreational development of many areas of Appalachia is the blight of a land scarred by abandoned strip-mine opical contributions to the States for reclamation. Accordingly, the committee reports amendments to section 205 authorizing the Secretary of the Interior to make financial contributions to the State for reclamation and rehabilitation of surface and strip-mined areas. Such work will be limited to public lands and private lands from which public benefits will accrue. The bill provides firm safeguards against the reaping of undue financial benefits by private landowners or mine operators.

A total of \$36,500,000 is authorized for the fiscal years 1966 and 1967 to carry out the purposes of this section.

Mr. CLARK. Mr. President, another major problem which confronts us in the coal-mining States—anthracite as well as bituminous—is the very serious and as yet unsolved problem of acid mine drainage. We do not know the technical answer to the acid mine drainage problem. Research is underway. There should be more of it.

In order to give some understanding to readers of the CONGRESSIONAL RECORD of the problem involved, I ask unanimous consent that a synopsis, which appears in a report prepared by the Committee on Public Works of the House of Representatives, on the subject of acid mine drainage, published April 19, 1962, may be printed in full in the RECORD at this point in my remarks.

There being no objection, the synopsis was ordered to be printed in the RECORD, as follows:

#### SYNOPSIS

Acid mine drainage is a longstanding water pollution problem and continues to grow in magnitude. The chemical quality of water is altered when acid mine drainage is discharged into streams in quantities sufficient to overcome the natural neutralizing capacity of the streams. Many of the damages are tangible and can be estimated in monetary terms. Others are intangible and difficult if not impossible to evaluate. Acid mine drainage destroys fish and fish food organisms, damages recreational and esthetic values, causes corrosive damage to transportation equipment, structures, and all equipment exposed to the water, and requires ex-

tra and expensive treatment when the polluted resources are utilized for municipal and industrial water supplies. Acid mine water is associated not only with active coal-mining operations but also with inactive and abandoned workings which continue to produce acid for an indefinite period after mining is discontinued.

It is estimated that 3.5 million tons of acid is discharged into the streams of the United States annually, resulting in major damage to more than 4,000 miles of streams. Available data on the magnitude and extent of the problem is largely outdated and needs updating and revision for a proper evaluation.

Many methods to reduce acid mine drainage have been developed, but high cost and technical failure in field applications have resulted in most attempts being abandoned. Extensive mine sealing has been performed under past Federal- and State-supported programs. Both air and water sealing offers promise of abating acid drainage from drift and slope mines. Complete inundation of deep shaft mines can reduce acid formation, providing it does not create safety hazards for adjacent active mining operations. Uniform pumping of drainage from active deep mines lightens the acid load on many streams.

Control of acid mine drainage would restore the quality of large quantities of water resources and make such waters useful for all legitimate purposes. Reclamation of the acid-polluted streams for recreation and fisheries purposes would provide great benefits and in some instances create an entirely new recreational industry for many economically depressed areas located in or adjacent to densely populated areas.

Mr. CLARK. Mr. President, my position is shared by my Republican colleague in the Senate [Mr. SCOTT] who cosponsored with me the amendments which appear in italic in the bill under consideration as a part of section 205.

We were joined in our concern by the Governor of Pennsylvania, William W. Scranton, who reflects most ably the very strong concern with the matter of the ravages done by the coal industry, and which his two Democratic predecessors, Governor Leader and Governor Lawrence, also shared.

Governor Scranton came to Washington and testified in support of the Appalachian bill generally, and specifically to request an amendment, which I am happy to say the Committee on Public Works agreed to, which increases the authorization for Federal assistance in remedying the ravages of strip mining by \$15 million.

I am glad that Senator SCOTT and Governor Scranton and I were able to persuade the committee to make this change.

I ask unanimous consent that a prepared statement of Governor Scranton before the committee, which appears at page 110 of the hearings, may be printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PREPARED STATEMENT OF GOV. WILLIAM W. SCRANTON, COMMONWEALTH OF PENNSYLVANIA

Mr. Chairman, I thank you for this opportunity to appear here today.

You know that I supported the Appalachian bill which passed the Senate last year. The new bill, S. 3, is substantially the same

as the original bill. I therefore support the new legislation also.

Today may I emphasize two changes which have been included in the new bill, and one that thus far has not been included, but should be.

First, the new bill expands the local access roads of the proposed Appalachian development highway system from 500 to 1,000 miles. These access roads will serve specific recreational, residential, commercial, industrial, and other facilities. In Pennsylvania, some roads would be constructed to provide access to State forests for harvesting timber. Such access roads, generally, will benefit Appalachia. I therefore support this change in the law.

Second, new section 303 provides that all applications for an Appalachian program or project shall be approved by the State member on the Appalachian Regional Commission before it may be approved by the commission.

This further clarifies the duty and responsibility of each State in selecting the projects and programs within its boundaries. It assures the unique State-Federal partnership approach which is proposed in this legislation, and which is essential for a successful operation of this program.

We strongly support this addition to the law also.

In my testimony before the House Committee on Public Works last year, five scars in the coal mining areas of Appalachia which cause and perpetuate unemployment and even danger to human health and safety were discussed.

These problems include:

- (1) Mine subsidence and surface caving.
- (2) Underground mine fires.
- (3) The ravages of abandoned strip mine operations.
- (4) Culm piles which are unsightly or, if on fire, cause a serious air pollution hazard.
- (5) Water pollution from acid mine drainage.

A full description, in words and pictures, of these problems is contained in a pamphlet which I have distributed to you today.

S. 3 contains authorizations for sealing and filling voids, for extinguishing underground mine fires, and for leveling nonburning culm piles. I understand that funds will be available through supplementary appropriations to existing programs for projects to eliminate burning culm piles and to begin to solve the problems of mine drainage pollution.

S. 3, however, does not include adequate authorization for reclaiming strip mined areas for reforestation purposes.

There is tremendous need for such a program and plenty of experience and knowledge to do the job, now. All we need is more money. This program can supply that.

The Appalachian program as now contemplated authorizes \$1.5 million to be used by the Fish and Wildlife Service over the years. Of this amount, \$250,000 is to be spent for a pilot study in the first year. That's fine.

Another \$1.5 million is authorized for the Forest Service for strip mine reclamation projects in national forests. None of that is to be used in the first year.

The Appalachian program should be expanded to make possible immediate strip mine reclamation projects for forestry purposes in national forests, on other publicly owned lands, and on lands with public access guaranteed. Such a program will do an enormous amount to rehabilitate our land for tourism and industry, thus providing jobs and beauty in place of unemployment and ugliness. And it will do it now—dramatically and visibly. If you wish to help solve a major problem of Kentucky, West Virginia, and Pennsylvania—I urge you to amend this bill to provide for strip mine reclamation for forestry projects.

Millions of dollars could be used in Pennsylvania alone during the first year for such



a program. I am sure sizable amounts could be so employed in West Virginia, Kentucky, Ohio, and almost every Appalachian State.

I urge you to make this program effective now, this year, by authorizing more money for immediate use.

Mr. CLARK. Mr. President, I ask unanimous consent that my entire statement before the committee, which starts at page 119 of the hearings and runs down to the middle of page 123, may be printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. JOSEPH S. CLARK, A U.S. SENATOR FROM THE STATE OF PENNSYLVANIA

Senator CLARK. Thank you very much, Mr. Chairman. I appreciate your courtesy in permitting me to come before you this morning.

I would like to make two points, and then introduce for consideration of the committee an amendment which Senator SCOTT and I have agreed upon with Governor SCRANTON and Mr. Tabor, his secretary of commerce.

In the first place, I am impressed, as a cosponsor of this bill, with the bipartisan nature of this approach. I have no doubt it is true in the other States of Appalachia, but it is certainly true in Pennsylvania that regardless of our political affiliations we work together for this program which can be so helpful to our State.

I would like to commend the Governor for the leadership he has taken in this regard, and without appearing unduly egotistical, I think the two Senators from the State of Pennsylvania have contributed their share in the effort, as well.

Secondly, I would like to point out in the record, what the chairman already knows, the very close relation between the Appalachian programs and problems of manpower and employment which Senator RANDOLPH and I are dealing with in other committees.

The study which your committee made last year, I think, emphasizes the particular need for a Federal effort in the Appalachian area, as well as in other parts of the country. Hopefully, this can become a precedent.

So there is a close tie between the Public Works Committee and the Committee on Labor and Public Welfare, so this can bring up the level of the standard of living and education, so they can reap the benefits of the Great Society. I think this is worth noting.

I would particularly like to stress and concur on the Governor's need to strengthen this bill to give us a little more authority in the area of strip mining. Senator SCOTT and I have been in close touch with Secretary Tabor, and through him with Governor SCRANTON.

On behalf of Senator SCOTT and myself, I would like to offer to the committee two amendments to the bill, one to section 205(a), and another to section 205(b), and then changes in the amount authorized in the bill by sections 205(d) and 401.

Unless we could get this strip mining rehabilitation program, and, almost equally important, the elimination of acid mine drainage from our coal mines cleared up in our State, there will be a broad area of Appalachia in Pennsylvania, and I suspect, Mr. Chairman, in West Virginia, too, where the people will not be able to reap the fruits of the increased economic development which the bill would otherwise make possible.

A few years ago the Forest Service estimated there were about a million acres of abandoned strip mining land in Pennsylvania alone. They lie unproductive and idle. They produce vast quantities of acid mine drain-

age pollution, which sterilizes 2,000 miles of waterway in my Commonwealth alone.

And this, I know, is of interest to Senator MUSKIE, who is working on a clear streams program, which I have been happy to support.

In fact, it is fair to say, is it not, Governor, that the acid mine drainage ruins the Susquehanna River in terms of fish, wildlife, and is a constant threat to the sanitary health of the whole community?

Governor SCRANTON. It certainly does not quite, yet, but it could, if we do not solve that problem.

Senator CLARK. Abandoned deep mines also produce this pernicious pollution, and in many areas mine subsidence and mine fires of deep mines undermine Appalachian communities, eating away their economic prospects for the future.

When I say "undermine," I mean it literally, because you have towns which are falling into abandoned coal mines as a result of the negligence of past generations.

And for this reason, on behalf of Senator SCOTT and myself, I would like to offer to the committee the amendments which I have mentioned.

I thank the chairman for his courtesy in permitting me to make this statement.

Senator RANDOLPH. Thank you, Senator CLARK. Your prepared statement will appear at this point in the RECORD.

(The statement is as follows:)

PREPARED STATEMENT OF HON. JOSEPH S. CLARK A U.S. SENATOR FROM THE STATE OF PENNSYLVANIA

"Mr. Chairman, S. 3, the Appalachian regional development bill, provides a superb vehicle for the States of Appalachia, with the Federal Government as a partner, to launch a concerted program for revitalizing the economy of the magnificent Appalachian region.

"The bill puts first things first and attempts to solve some of the pressing resource and transportation problems holding the region back from developing its full potential.

"But as a cosponsor of the bill and a long-time supporter of the legislation, I would like to suggest that the section addressed to the rehabilitation of strip-mined areas and the elimination of acid mine drainage pollution should be strengthened. Otherwise, there are broad areas of Appalachia that will be unable to reap the fruits of the increased economic development which this bill makes possible.

"A few years ago, the U.S. Forest Service estimated that there were a million acres of abandoned strip-mined land in Pennsylvania alone. These ravaged acres blight the environment of nearby communities. They lie unproductive and idle. They produce vast quantities of acid mine drainage pollution which sterilizes 2,000 miles of waterway in my Commonwealth alone. Barren of aquatic life, these streams have been rendered practically useless as municipal and industrial water supplies.

"Abandoned deep mines also produce this pernicious pollution. And in many areas mine subsidence and mine fires in deep mines undermine Appalachian communities, eating away at their economic prospects for the future.

"For this reason, on behalf of Senator SCOTT and myself, I offer an amendment to section 205(b) of S. 3, which increases the funds allotted for the correction of these problems in the bill and increases the financial assistance to the States to fill abandoned coal mines, control acid mine drainage pollution, and reclaim strip mines.

"Suggested amendments to S. 3, the Appalachian Regional Development Act of 1965

"1. Section 205(a): Strike paragraph 1, lines 6 through 15, page 20. Add the following paragraph:

"'make financial contributions to States in the region to seal and fill voids in abandoned coal mines, to control acid and other noxious drainage from abandoned mines or sections thereof, and to reclaim and rehabilitate existing strip and surface mine areas, in accordance with provisions of Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or for the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act.'

"2. Section 205(b): After the word 'thereof' on line 16, page 21, strike all through line 19. Add the following:

"'Projects shall be approved for assistance under subsection (a) only where expected public benefits are found to justify estimated Federal and State costs; access to and use of restored lands by the public is provided where appropriate steps are taken, including in appropriate cases, requirement for contributions to the cost of the project, which are adequate in the judgment of the Secretary to assure that individual property owners or mine operators do not receive undue financial benefits from the project. In selecting projects for financial assistance, the Secretary shall give priority to those projects which are shown to be part of the development or implementation of a State program giving reasonable promise in the opinion of the Secretary, of obtaining a permanent solution of the problem dealt with.'

"3. Section 205(d): Page 24, line 14, delete '\$21,500,000' and add '\$36,500,000'.

"4. Section 401: Page 37, line 2, delete '\$237,200,000' and add '\$252,200,000'."

Senator RANDOLPH. Governor SCRANTON made reference to the amendments which you and Senator SCOTT offered to the committee, and we will give, of course, very careful consideration to these proposals.

You have mentioned the seriousness of this problem. I recall a recent article in the Washington Post which pointed out the very tragic situation, and it is that, in many areas, of the Appalachian region.

Senator COOPER. Governor, as you know, there are existing programs which directly affect the Appalachian area, as well as other areas in the United States; programs such as the Area Redevelopment Act, the Office of Economic Opportunity, and the manpower development and training program.

I think it is very important that this Commission, if it is established, develop procedures to assure that there will not be a duplication of activities or overlapping in any way, and make certain that all of these programs will be coordinated for the maximum development of this region.

I wonder if the Governors in their meetings thus far have given any thought to this necessary coordination of all of these programs.

Governor SCRANTON. Yes, they have, sir.

This partly I touched on in answer to Senator BOGGS' question. Not only have they done that, but it was at their insistence, so to speak, that some of the things were changed in this bill, which you, the Senate, and the House, too, concurred in last year.

Frankly, I would state this to you. As you know, I am quite familiar with the Area Redevelopment Act and Economic Opportunity Act, and the others to which you refer, and I would say unequivocally that this is the most specific act of all of them. It outlines more clearly what can be done and what cannot be done, and why, better than any of them. This was done primarily because the gubernatorial group and people working with them in the administration wanted it this way, and thought it would pinpoint the problem.



Senator RANDOLPH. Thank you, Governor Scranton.

The committee would wish at this time to have Herbert S. Richey, the president of the Valley Camp Coal Co., make what comment he would believe to be appropriate, since we have been stressing this problem.

Governor SCRANTON. May I add just one thing, sir. I do want to say that I am very grateful for this hearing, and appreciate the time you have given us.

Senator RANDOLPH. Governor Breathitt will testify very shortly, and Governor Smith, and others, and I call attention to the rather full schedule of witnesses this morning.

Senator MUSKIE, do you wish to address a question to Governor Scranton before he leaves the witness table?

Senator MUSKIE. Mr. Chairman, in connection with Senator CLARK's proposed amendment, I think maybe our witness now can enlighten us.

I am interested in having something in the record on technological developments that are involved in controlling acid mine drainage pollution. I would like something in the record on that problem, because of the general interest in water pollution and the impact of acid mine drainage.

Governor SCRANTON. In all frankness, sir, of all the things in what I call the mining area section of this bill, the acid mine drainage one is the one in which we have advanced less technologically than any of the others. Accordingly, the bill itself indicates that there will be primarily study and project operations here, which, frankly, I think are quite correct.

We would like to be further along than we are, but we just are not there yet. There have been a great many thoughts recently propounded in this field which have, may I say, great hope for the future, including even what you would think would be a far-out proposition of using the desalination operation that was studied at one time likewise for taking acid mine drainage and changing it into fine water again.

This and many other experiments are presently going on, but we have not yet come up with frankly an overall program that we can inject into this area and say we can solve acid mine drainage.

However, as Senator CLARK pointed out to you, the very point that he is making in his amendment would help a great deal here, because it would close up those areas that are strip mined already to collect acid mine drainage and then pour them into our streams, sir.

Senator MUSKIE. I take it our next witness, too, could give us something on this point.

Thank you, Governor.

Senator RANDOLPH. I invite attention to the presence of Herbert S. Richey, the president of the Valley Camp Coal Co., in the committee hearing room. This company has very considerable operations in the State of West Virginia and some in other States as well.

Mr. Richey, I presume you have been here for the inaugural.

Mr. RICHEY. Absolutely.

Senator RANDOLPH. Mr. Richey, I believe you can contribute at this point to our discussion, and the committee will be glad to hear you at this time. You might give us an outline of your company operations and discuss other coal industry facts, if you will, please. We would appreciate it if you would address the problem of acid mine drainage.

Mr. CLARK. Mr. President, I have no apologies to make for the changes made by the committee, nor for the strong support given to the solution of a problem which is current and important, not only to the Commonwealth of

Pennsylvania but also to the people of West Virginia, Kentucky, and the people of a number of the other States in Appalachia.

I should like to make this point crystal clear. There is nothing in the bill—not one word, not one syllable—which would permit Federal money to be spent to pay off opulent coal miners, individual or corporate, in order to reimburse them for damages which they have done to the surface of the land by their operation or to relieve them of 1 nickel of obligation that they have under State law to repair ravaged areas, where strip mining has damaged the topography. There is nothing in the bill that would help them.

The bill would help repair strip mining damage done to public land and to private land where the owners have taken the coal, scuttled the ship, and run away, and cannot now be found, leaving whole cities to subsist in the abandoned coal mine regions.

It should be made abundantly clear that not 1 nickel will go or could go to swell the treasuries of coal miners, individual or corporate, who are perfectly able to comply with existing law in order to rehabilitate the land and leave it the way they found it.

With respect to the bill in general, of which I am happy to be a cosponsor, I should like to say that the bill gets to the heart of many of the problems plaguing the distressed regions of Pennsylvania and the other States in Appalachia.

This is a region which has been bypassed by modern transportation. The bill corrects that situation by providing the highways that will open up the region to the world.

Appalachia is a region suffering from the abuses of the past—the sterile and idle ravages of coal mining, the pernicious stream pollution of acid mine drainage. The committee has wisely and graciously accepted amendments offered by Senator SCOTT and me directing a massive attack against these twin problems.

This is a region possessing superb resources for the development of new forest and recreation industries. The bill provides the assistance needed to tap new growth possibilities.

This is a region which desperately needs improved health and educational opportunities. The bill goes a long distance toward providing them.

This is a region suffering from one of the most recurring flood problems in the Nation, and yet a region whose rivers can provide new economic growth. The bill would accelerate flood control and the development of Appalachia's rivers. This program can be the first comprehensive economic development ever undertaken in the United States. There is no place that can put such a program to better use than Appalachia, including the major part of my Commonwealth of Pennsylvania.

Mr. President, I yield the floor.

Mr. COOPER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COOPER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

TO PROMOTE THE DEVELOPMENT OF A BYPASSED AREA: THE NEED FOR AN UPPER GREAT LAKES REGIONAL DEVELOPMENT AUTHORITY

Mr. NELSON. Mr. President, I am again happy to cosponsor legislation to assist in the development of the Appalachian region. We have had ample evidence that this region has been bypassed by our country's prosperity. We have read the statistics and heard the testimony which details the destitution and despair existing in many communities of Appalachia.

Last year we witnessed the opening of the President's war on poverty with the enactment of the Economic Opportunity Act of 1964. This year we can extend the battlelines with the early approval of this bill.

The 11-State Appalachian region is not, of course, the only region which needs assistance. President Johnson recognized this in his state of the Union address when he proposed "a new program to develop regions of our country that are now suffering from distress and depression."

Appalachia is, perhaps, the largest area to require a regional assistance program, but other smaller areas also require this coordinated approach. The three-State area of the upper Great Lakes is one of these regions. Northern sections of Wisconsin, Michigan, and Minnesota make up this region. It, too, has been bypassed by prosperity.

Since it also is a bypassed region, I urge that the Senate amend the Appalachian bill to permit the establishment of an Upper Great Lakes Regional Authority similar to the Appalachian Regional Commission.

I have been concerned about this area for years. Many others in the Congress, in the Federal Government, and at the State and local level have tried to find ways to help this beautiful but economically depressed region. Conferences have been held, reports written, and industrial development groups formed. The Area Redevelopment Administration, the Department of Agriculture, the Department of the Interior, and the Housing and Home Finance Agency are some of the Federal agencies which have provided loans or grants or technical assistance. Many of these efforts have paid off in job creation and the restoration of natural resources which have been plundered in the past.

Nevertheless, much remains to be done. Unemployment much higher than the national average persists. An unemployment rate three times the national average is not uncommon in this region in the winter months. A years ago the Upper Peninsula of Michigan had an unemployment rate of 14.6 percent. The last detailed census figures taken in 1960 showed a regional unemployment rate of 8.6 percent compared to 7.1 percent for



Appalachia, a rate 20 percent above that of Appalachia. Families in the poverty class—under \$3,000 in annual income—are 25.9 percent of the population as compared with the national share of 21.4 percent.

Because of the fall in job opportunities, the younger people are leaving the north woods. The aged remain. In my own State of Wisconsin, current estimates show that over 80 percent of the area included in the upper Great Lakes region lost population in the last 5 years. This area now has only about 7 percent of the population of Wisconsin, yet its share of the number of recipients of State public assistance for the aged is 17 percent.

Figures for last year show that the overall dependency rate for this area is 5 percent higher than its share of the State population. These figures do not show, however, how hard it is for the people of the north woods to turn to public welfare. They have always been proud of their homes and schools and communities. Their homes only now are beginning to show signs of neglect due to lack of funds. But the decline of an area's major industry inevitably spreads blight and poverty. The railroad stops operations and more men are out looking for nonexistent jobs.

The economic decline experienced in the upper Great Lakes regions is similar in some ways to that experienced by Appalachia. Its wealth was concentrated in timber, fishing, and iron ore as Appalachia's was concentrated in coal. The exhaustion of these resources of the area combined with foreign competition have had tremendous impact. The timber of this region can no longer be counted a resource which can generate added employment, and although valuable mineral resources remain, rapid advances in mining techniques limit the possibilities for a large-scale recovery in mining employment. For example, the opening of new taconite plants which make use of low-grade ore will undoubtedly raise employment in the region, but not as much as once was claimed. As the Federal Reserve Bank of Minneapolis said in its May 1964, monthly review:

When taconite pellets were first produced in commercial plants, it was estimated that 2½ times as much labor would be required to produce a ton of pellets as was required to produce a ton of natural ore. But with the rapid rise of labor productivity in taconite plants, it now takes no more man-hours to produce a ton of taconite than a ton of high-grade ore upgraded by an elementary method beneficiation.

Technology has, of course, also affected agricultural employment. The typical trend in agriculture across the country has been toward fewer and larger farm units employing fewer farm workers. The upper Great Lakes region differs from this trend in that there has been substantial abandonment of farmland. Unlike the fertile southern part of the Great Lakes States, the land is poor and difficult to combine into large economic units.

The farmers do not have the steep slopes of Appalachia to contend with, but they must skirt lakes, bogs, and rock

outcroppings. The growing season is relatively short and cool. The soils are not noted for their fertility. The small farmers eke out chronically low farm incomes.

When first settled for farming, the land was filled with charred stumps left over from the unrestrained activities of the lumbering companies and ensuing brush fires. Nevertheless, land speculation preyed upon the pocketbooks of the land hungry. Hopeful and hardy people undertook to fight the stumps and rocks. In the 1920's, an attempt was even made to have the Federal Government provide free dynamite to the settlers to help remove the stumps and boulders.

Some of the problems of the area today can be traced to the encouragement of farming on land which might best have been allowed to return to forest. As in Appalachia, early settlers attempted to grow crops on steep hillsides which the Indians had wisely left to the forest.

Now we realize that in both regions forest products and tourism may well be the most productive cash crops that may be harvested from the land. But both crops will require a good deal of cultivating. Damaged land must be recovered and reforested. Streams must be cleared of pollution.

The Appalachia bill recognizes the need for resource rehabilitation. It provides help to renew Appalachia's forests, water, and land. Financial assistance is provided to fill voids in abandoned coal mines and to repair the ravages of strip mining. The upper Great Lakes region has not been strip mined, but mines have been abandoned and in certain places the land is sinking because of the deep holes which riddle the earth. It needs similar help.

The upper Great Lakes region is more fortunate in its water resources than Appalachia. Its myriad lakes and streams provide over 3 million acres of water surface which is relatively clean. But the region is in danger of seeing its blue waters exploited as its other great natural resources have been exploited in the past. At one time the supplies of virgin timber in the northern parts of Wisconsin, Michigan and Minnesota were thought to be limitless. It took 60 years to harvest the tremendous stands of white pine, birch, hemlock, and maple but our ancestors did the job with great thoroughness leaving a virtually barren land. We must prevent careless or cynical exploitation of our water resources which are also touted as "limitless." No one locality or one State can protect the purity of its waters by itself. A regional approach must be used to protect and renew this great resource.

This region is near great and growing metropolitan areas where millions are imprisoned by concrete and steel and deafened by the roar of traffic and commerce. The north woods can find new economic vitality by developing its possibilities for outdoor recreation. Its clear waters and green forests can provide countless numbers with relaxation and inspiration. As President Johnson has said:

For over three centuries the beauty of America has sustained our spirit and enlarged our vision.

In mid-1963, the six Senators representing the three States of this region began discussions with local business and civic leaders looking towards a new development approach. Vice President Humphrey was one of these Senators. On September 25, 1963, President Kennedy addressed a Land and People Conference called by Secretary of Agriculture Freeman in Duluth. He stated:

I would like nothing better than to sit down with the leaders of Minnesota, Wisconsin, and Michigan to discuss a regional program for economic development in the Upper Lakes area \* \* \*. Our goal must be a cooperative effort. It must cut across Federal jurisdictions and State boundaries.

Shortly before his death, definite plans were made for a meeting of the President with the Governors and Senators from this region. President Kennedy's tragic death cut short the planning for a conference on the needs of this area. However, the necessity for action still remains.

The people of the upper Great Lakes area are ready to act now. If we are to vote aid for Appalachia, there is no reason that our region should wait.

The amendment I am today urging, with the cosponsorship of Senators HART, MCCARTHY, and MONDALE, would permit us to move forward immediately. It would include authority for:

First. Creation of the Upper Great Lakes Development Authority of seven members—four appointed by the President, three appointed by the Governors with one from each of the three States.

Second. The Authority charged with developing and coordinating programs for land use, public works, resource development, and authorized to finance and conduct research and studies; supported with technical assistance and grants with existing and new local development districts; promote industrial and commercial and recreational projects; and coordinate State, Federal, and local programs, and stimulate the private enterprise economy of the region.

Third. A series of special programs are authorized under the terms of the bill and include:

Three million dollars for contracts to various public and private agencies and educational institutions for basic and applied research on improving the extracting, transporting, processing, and marketing of the region's resources.

Five hundred thousand dollars for special educational projects and fellowship grants on industrial and community development and area economic planning of special importance to the region.

Two million dollars for initial planning and engineering of a Lake Superior Scenic Shoreline Highway.

Two million dollars to provide technical assistance, and grants and staffing of local development districts working on industrial, commercial and recreational development.

The total appropriation for the first fiscal year, including the above special programs, is set at a maximum of \$10



million. Additional authorizations as necessary for continuing years is provided.

I am sure that the upper Great Lakes region can be a showplace in a more beautiful America. It can also become a rural slum. The choice lies in large measure with us in the Congress. For this reason I urge that a comprehensive regional approach be adopted to solve the problems of this area which I have outlined. I urge that the Senate amend the Appalachian bill and establish an Upper Great Lakes Regional Authority.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

### DOMINO THEORY WITH RESPECT TO SOUTH VIETNAM

Mr. MILLER. Mr. President, the able and knowledgeable columnist, Joseph Alsop, has a most perceptive article on the domino theory with respect to South Vietnam in today's Washington Post.

Those whose euphoria causes them to hope the domino theory will somehow go away would do well to read this article.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### THE DOMINO THEORY (By Joseph Alsop)

As was predictable, the Vietnamese crisis has entered another phase of acute inflammation. Political deterioration will inevitably continue until and unless President Johnson takes strong measures to reverse the military trend.

As was also predictable, the Republicans have begun their preparations to exploit an expected disaster in southeast Asia. In a speech obviously intended to make a record for the future, former Vice President Richard M. Nixon has called on President Johnson to take whatever measures may be needed to end the war by winning it.

In short, the specter of a catastrophic American defeat looms larger and larger, and it becomes clearer and clearer that the inquest on this defeat—if it is permitted to occur—will poison our national life. In these circumstances, the aimless drift that afflicts our Vietnamese policymaking calls out for explanation. Part of the explanation is clearly to be found in a question sometimes put to callers at the White House.

"Do you still believe in the domino theory?" is the question.

It is asked in a tone so scornful and accusing that little doubt remains about the current unpopularity of the domino theory in White House circles. The President has evidently persuaded himself, or at least three-quarters persuaded himself, that a great defeat in Vietnam need not have the grave consequences outside Vietnam predicted by the domino theorists.

It would be comforting if there were any solid evidence on this side of the argument. Unhappily, however, recent developments have produced a mass of evidence to sustain the domino theory. The following sets of facts are of particular importance.

Item: The situation in northeast Thailand is beginning to show marked resemblances to the situation in South Vietnam when the Communist guerrillas were first ordered to take the offensive. Village chiefs loyal to the Government are being murdered more and more frequently. A rather high Central Government official was also assassinated by

the Communist underground in the considerable town of Nakhon Phanom.

The circulation of Communist tracts and pamphlets, both in the northeast and also in Bangkok itself, has also been greatly stepped up. The pressure is on, in short. The aim is to be ready to exploit a U.S. defeat in Vietnam—after which the Thai Government will be urgently and menacingly requested to change its political alignment.

Item: In the Philippines, the Communist guerrillas, the Hukbalahaps, have resumed aggressive activity after years of quiescence. They have an immune stronghold in Pampanga Province, and now number about 2,000 fighting men.

In parallel, Communist propaganda in Manila is bearing more and more important fruits, in the form of anti-American protest meetings, burnings in effigy of the U.S. Ambassador, and so on. Again, these are preparations to exploit an expected American defeat—after which the Philippine Government will more and more tend to sound like Sukarno's Indonesian Government.

Item: Extremely disturbing signs have appeared in Taiwan. The chief Chinese intelligence operative in Macao, Gen. Ch'eng I-ming—the Taiwanese equivalent of the CIA station chiefs in Bonn, Berlin, Vienna, and Moscow, all rolled into one—has defected to the Chinese Communists. Another fairly important military figure, Gen. Chao Chih-hua, has been arrested for subversive public talk.

At least four outbreaks of local dissidence in Chinese Nationalist Army units have had to be forcibly suppressed. In consequence, Generalissimo Chiang Kai-shek has taken the fairly grave step of giving the key post of Minister of Defense to his son, Gen. Chiang Ching-kuo, who is also the head of the government police.

The aim of Chiang Ching-kuo's appointment, quite obviously, is to have a strong hand on the helm of the armed forces, in the event of further trouble. Yet in Taiwan, every thinking Chinese Nationalist long ago made the outcome in Vietnam the unique touchstone of American strength of will. Hence even the strongest hand is unlikely to be able to contain the trouble that will result from a final American defeat in the Vietnamese war.

All this and other evidence indicate that the Chinese Communists are not merely hoping for an American defeat. They are already preparing to take advantage of it, through their rather considerable agent net. The confident expectation of an American defeat is also the key to the mountebank goings-on of Prince Sihanouk in Cambodia, to the violence of President Sukarno in Indonesia, and even to the recent policy shifts of General de Gaulle.

In the circumstances, dismissal of the domino theory is premature, to put it rather mildly.

### THE POPULATION EXPLOSION

Mr. MILLER. Mr. President, in the February 9 issue of Look magazine there is a very timely and well documented article by John D. Rockefeller III, entitled "The Hidden Crisis," which discusses the population explosion problem. I commend the article to all who are interested in the subject; and I believe all people should be. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### THE HIDDEN CRISIS

(By John D. Rockefeller 3d)

All last summer, every 12 seconds, the number changed on the huge "demograph"

at the New York World's Fair as it recorded the latest gain in the population of the United States. When the fair opened in April, it read 191,510,364; when it closed in October, it read 192,974,586; when it reopens this April, it will read approximately 194,100,000.

Advertisements in New York subways urged visitors to the fair to "see the exciting story of the population explosion." I am sure millions marveled at this dramatic display of the constant growth of our Nation—an America that every dozen seconds was "bigger and better" than ever.

We are bigger, yes. But is America the better for increased population? I think not. In fact, while we watch the "exciting story of the population explosion," we may, like characters in Greek tragedy, be witnessing our own decline. For unchecked population growth—in our country as elsewhere—threatens, if not human life itself, then surely life as we want it to be.

The problem of population growth is as important as any facing mankind today—and its solution is as difficult. Until recently, I regarded control of nuclear weapons as man's paramount problem. Yet, there is justifiable hope that these weapons will never again be used. An enormous increase in world population, however, seems inevitable.

Both nuclear weapons and population growth endanger mankind. The threat of one is the sudden danger of an act of violence. The other threatens with the erosive quality of a wasting illness. The tragic difference is that the world worries about arms control, while population control seems to be the problem the world would rather forget.

Population growth has a grim arithmetic. The accelerating pace of growth causes the most concern. It took mankind all of recorded time until the 1840's to achieve a population of 1 billion. It took less than a century to add the second billion, 30 years to add the third. And at today's rate of increase, by 1975 the world population will reach 4 billion.

Figures like these surprise many Americans, although "the population explosion" is part of the vernacular of our time. As James Reston writes, "Probably never in history has so obvious and significant a fact been so widely evaded."

The National Academy of Sciences reported last year: "Not only must the current continued increase in the rate of population growth cease, but this rate must decline again. There can be no doubt concerning this long-term prognosis; Either the birth-rate of the world must come down or the death rate must go back up."

We can be sure that man will not willingly surrender the degree of death control he has already won. The solution of the population problem, therefore, is a lower birthrate. The problem's complexity lies in the necessity of communicating effectively with literally hundreds of millions of people. As Arnold Toynbee has put it, "Myriads of minds will have to be enlightened, and myriads of wills will have to be induced to make myriads of difficult personal choices."

These myriads of personal choices are the root of the population problem. Its solution, and mankind's future, depends upon enough of these choices being the right choices: right for the parents, right for the family, right for society. Unfortunately, more often than not, these individual decisions are decisions by default—vital decisions made in default of adequate knowledge.

Large masses of people, even today, simply do not know that they can determine the number of their children. They do not know that means—safe, effective and acceptable means—exist to limit family size. Most important, they are unaware of the facts upon which decisions on family size should be based, of the physical, social, and economic advantages of planned families.



These facts must somehow be communicated; these myriads of minds must be reached. And despite all our recent strides in behavioral sciences, who knows with certainty how to reach and influence even one complex human being?

#### NEW HOPE FOR SUCCESS

The task is formidable, but I am convinced that in its achievement lies one of the great humanitarian opportunities of our day. We must not be distracted by difficulty. Major developments in recent years present solid reasons for hope that the world's population growth will be stabilized—and in time to preserve the kind of life we know today.

One development I regard as most encouraging is the widespread and rising recognition of the existence of the population problem by government officials, religious leaders and private citizens. The subject of population control, upon which so many were so long silent, is no longer spoken of in whispers, but is being freely and holdly discussed, argued and examined.

The most significant recent recognition of the question was the attention given to it at the latest session of the Ecumenical Council. That followed the announcement last summer by Pope Paul VI that the Catholic Church was giving "wide and profound" study to the problem of birth control. This "extremely grave" problem, the Pope said, "touches on the mainsprings of human life."

Mohamed Ayub Khan, president of Pakistan, is giving vigorous support to a national population-control program in his crowded country. During a visit to the United States, he said: "All the effort that is being mounted in new countries like mine will be wasted if we can't keep our population within reasonable bounds."

An even more tangible reason for my hope that population can be stabilized is the emergence of an improved technology for contraception.

One example is the development and testing of steroid pills, the long-sought oral contraceptive. Although effective, the pills do not meet other requirements of the ideal contraceptive. They are often too expensive for the people who need them most, and they require considerable motivation and good memory, for they must be taken every day for 20 days of every month.

More capable of wide and effective use is the new intrauterine device, sometimes called the coil or loop, which many doctors and demographers believe may be the best contraceptive yet invented.

Since the 1920's, it has been known that a small device (at first, it was a silver ring) placed within the human uterus would prevent a pregnancy. The discovery is credited to a German doctor, although it is said that Arabs prevented breeding of camels by such a technique centuries ago. During the 1950's, experiments with the intrauterine device were repeated, and its design modified in Israel and Japan.

Successful in continuing tests, the device is capable of mass manufacture in plastic. It requires a medically trained person for its insertion, which will help assure responsible use. Among its advantages are that it costs but a few pennies to make, requires only a single motivation and lasts for months and even years. And it can be removed at any time that the user wishes to bear a child. This tiny piece of plastic may symbolize the beginning of a new era of hope for all who concern themselves with the future well-being of man and the world in which he lives.

Still another reason for my hope is the beginning of significant action in several countries. India, Pakistan and South Korea have adopted national policies of limiting population and have programs under way. Thailand, Tunisia, Turkey and Egypt are considering policies or developing programs. Ceylon, Hong Kong and Malaysia are sub-

sidizing privately organized efforts. The governments of half the people in the underdeveloped world now officially favor family planning. However, every attempt to introduce family planning among a large population encounters a defeating lack of knowledge in two crucial areas. There is no sure way to motivate couples to plan their families; nor is there enough tested knowledge of how to organize, staff, finance and administer an effective program within the limitations of the developing nations. This needed know-how, essential to the solution of the population problem, is the purpose of a growing number of important pilot projects in several countries. If they are successful, they will offer the most solid basis for confidence.

On a visit to Taiwan, I had the opportunity of seeing one of these projects in action in the city of Taichung. Conducted by the provincial health department with the support of the population council, it offers an excellent illustration of the approach and scope of these pioneer knowledge-seeking efforts. Set up in a city of 300,000, the Taichung project is one of the most extensive and elaborate social-science experiments ever conducted. The project's experts seek to learn if fertility control can be accepted on a large scale in a developing area, and at what cost in money, time, and personnel.

A preproject survey developed important findings on attitudes toward family planning. It showed that 90 percent of Taichung's wives (and their husbands, too, according to the wives) wished to limit the size of their families. Most wanted only four children, recognized the economic advantage of a small family, did not object in principle to family planning, and did not believe the number of children should be left to "providence" or "fate." The women were aware of the decline in infant mortality and understood that, unlike their parents, they did not need to bear five to seven children in order to have three or four survive to adulthood. The salient message was that in Taichung, people have more children than they want.

To measure how much effort is necessary to control population growth, the Taichung project staff experimented with various kinds and degrees of communication. The city was divided into about 2,400 neighborhoods, and each received one of four kinds of "treatments." In order of increasing effort, the treatments were designated "Nothing," "Mail," "Everything (wives only)," and "Everything (wives and husbands)." The city as a whole was exposed to only two aspects of the program: a general distribution of posters pointing out the advantages of family planning, and a series of meetings where program workers described the program to community leaders and sought their advice and support. The "Nothing" neighborhoods received only the posters and the meetings. The "Mails" had the addition of a direct-mail campaign to newlyweds and parents of two or more children. The "Everything" neighborhoods had home visits by nurse-midwives, who arranged appointments at local health stations, offered a choice of contraceptives, answered questions, and did whatever was necessary to satisfy a couple's desire for guidance.

#### WHAT ONE TEST PROVED

The results are still preliminary, but greatly encouraging. The effectiveness of word-of-mouth was shown: More than half the women accepting contraceptives came to the health station without personal contact by a program worker; about a quarter came from outside the city where there was no organized effort. The new intrauterine device was the choice of 78 percent of the women accepting contraceptives, and 80 percent of the devices were still in place after 6 months. Reduced to a single statistic, a before-and-after survey showed that one-

fifth fewer women were pregnant—a substantial success in any short-term effort to check population growth. The Taichung project demonstrated that, at least in a setting where literacy is relatively high and medical clinics are available, a well-organized effort will generate its own momentum and produce significant results at a reasonable cost, given a convenient and effective contraceptive method. Plans are now being made, with government support, to extend throughout Taiwan the procedures devised and tested in Taichung.

Such projects represent a significant beginning. From them is emerging a background of knowledge and experience. And in them we are training a growing number of personnel, testing our technology and formulating a strategy of approach. They are the first steps on a long journey.

We have seen the seriousness of the population problem, and some reasons that allow us to hope that we may eventually succeed in its solution. Now, we must ask ourselves what is the measure of success. We fumble for an answer. We fumble because I believe that we, and others all over the world, fail to recognize the population problem in its full and true dimensions. From the days of Malthus, we have inherited a tendency to think that the successful solution lies in striking a healthy balance between numbers of people and quantities of food. To the difficult question of how much is enough, this allows a simple answer. But too often it is a wrong one, because it equates man with animal and food with fodder. The population problem is not one of two dimensions, but of three. The third dimension touches the very essence of human life—man's desire to live as well as to survive.

We may, in days to come, bring more acres under cultivation and vastly increase the yield of each acre. We may reap unimagined harvests from our oceans. We may at last free all mankind from hunger. But even this, I maintain, is not enough.

Man is more than animal, and the needs of his life are far more than bread alone. There are the precious intangibles that make life worth living, that give life quality. There is knowledge, for one, and the satisfaction earned by well-used leisure. There is the quiet joy of appreciation of nature and art, and the abiding strength that comes from moral and spiritual values.

Human needs such as these go far beyond the bare necessities, the creature comforts, mere material resources. They are the third dimension of which I speak. The opportunity to fulfill these needs for himself and for his children should be every man's birthright. Every man deserves at least the chance to lead a life of satisfaction and purpose, to achieve in life more than mere survival.

#### THE HIGH COST OF GROWTH

This emphasis on the quality of life is, for us in this favored land, the heart of the matter. Unchecked population growth will ultimately place this third dimension beyond our reach, even in America. Indeed, it can be demonstrated that "it can happen here"—and is happening. By thousands of small, seemingly insignificant inroads, the growth of population is eroding what we have come to know as "the American way of life."

For illustration, examine but a few of the consequences of population growth. Consider our land itself. It stretched before the eyes of our forefathers in vast, unexplored reaches. The wealth of its resources was unimaginable, its westward horizons unlimited. Once we beckoned immigrants to help us settle the land. The Northwest Ordinance and the Homestead Act were milestones of national policy designed to put land into the hands of the people. Today, we hold back the immigrant while we strive for a broader policy of conservation. We seek now not to sell land to the people, but to buy it from them; not to promote its use, but to protect



President's policies, and the apprisement of what has been going on attendant to all those facets of the Government more logically repose within the members of the Cabinet, close to the President, than they would necessarily in the particular Members of Congress.

Likewise, the system under which we operate at present, which provides that in the event of an extreme crisis, one that would remove both the President and the Vice President, the Speaker of the House would accede to the White House, in effect serves the purpose of contradicting another one of our constitutional intents, that intent being the separation of the legislative and executive branches of the Government.

So, adding both these considerations together, I would urge the favorable consideration of a return to the old Presidential Succession Act, which, following the Vice President, would place the Secretary of State in line, then the Secretary of the Treasury, and so on down through the Cabinet posts. I believe that this system would more truly reflect the intent of the voters, as well as the policy direction most recently to pass the test of a national referendum, namely, the last presidential election. And thus believes the new President of the United States, Lyndon Johnson, with his sense of urgency and his insistence upon moving likewise in that direction.

Finally, in terms of a vacated Vice-Presidency, I should like to join my voice with those who would accord to the Vice President, upon his acceding to the Presidency, or in the event of anything happening to the Vice President while the President was still in command, the privilege of letting the President personally select the Vice President for the remainder of that term, subject to the approval of this body of Congress, as is the case in other types of Presidential appointments. It seems to me that this is most consistent with the intent of Executive responsibility and the testing of that responsibility directly, in that he must then go to the voters for his ultimate sanction if there is any question about his selection.

These, then, would be direct moves in upgrading and modernizing the machinery of democracy and keeping us apace with the tempo of change in current times.

#### APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

The Senate resumed the consideration of the bill S. 3, to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

Mr. MANSFIELD. Mr. President, several Senators have remarked today, during the consideration of the pending measure, that they intend to offer amendments to the bill on Monday and request yea-and-nay votes. They have postponed their requests for the immediate consideration of their amendments and the votes thereon in order to permit an affirmative presentation of the entire bill today. However, they have presented this afternoon, in great part,

the merits of their individual amendments.

In view of this fact and the prospect of yea-and-nay votes on several of the amendments prior to the vote on the passage of the bill at 3 o'clock on Monday next, I propose the following unanimous consent request, with the full concurrence of the distinguished minority leader:

Mr. President, I ask unanimous consent that effective at 11 a.m. on Monday, February 1, 1965, debate on any amendment to the pending bill shall be limited to 20 minutes, to be equally divided and controlled by the mover of the amendment and the Senator from West Virginia [Mr. RANDOLPH], the Senator in charge of the bill; provided, further, that on the amendment of the Senator from Nebraska [Mr. HRUSKA], amendment No. 11, the time allotted shall be 40 minutes, 30 minutes to be allocated to the mover of the amendment [Mr. HRUSKA] and 10 minutes to the Senator from West Virginia [Mr. RANDOLPH], the Senator in charge of the bill.

The PRESIDING OFFICER (Mr. MONDALE in the chair). Is there objection? The Chair hears none, and it is so ordered.

The unanimous-consent request, reduced to writing, is as follows:

#### UNANIMOUS-CONSENT AGREEMENT

*Ordered*, That, effective on Monday, February 1, 1965, beginning at 11 o'clock and during the further consideration of the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region, debate on any amendment (except in amendment by Senator HRUSKA, numbered 11, which shall be debated for 40 minutes with 30 minutes under control of Senator HRUSKA and 10 under control of Senator RANDOLPH), motion, or appeal, except a motion to lay on the table, shall be limited to 20 minutes, to be equally divided and controlled by the mover of any such amendment or motion and Senator RANDOLPH: *Provided*, That in the event Senator RANDOLPH is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him.

*Ordered further*, That the Senate vote on final passage of the bill at 3 p.m. on Monday, February 1, 1965.

#### ORDER FOR RECESS UNTIL 10 O'CLOCK MONDAY MORNING

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business this afternoon, it stand in recess until 10 o'clock on Monday morning next.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

The Senate resumed the consideration of the bill S. 3, to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

Mr. DIRKSEN. Mr. President, as I understand, the timing of these amendments will still make it possible to have

a final vote on the bill at 3 o'clock, as originally proposed.

Mr. MANSFIELD. That is correct. This is an accommodation within the unanimous-consent agreement passed on by the Senate on yesterday. For the information of the Senate, it is not anticipated that there will be a morning hour on next Monday.

#### PROPOSED FEDERAL STIMULATION OF BEEF PRODUCTION IN THE APPALACHIAN REGION SHOULD BE STOPPED

Mr. HRUSKA. Mr. President, as all Senators will recall, the cattle industry of this country was forced to struggle through most of last year's session of Congress to get a bare minimum of relief from the depressing weight of imported beef on our price structure. When the matter could finally be brought to a vote in the Senate on its merits, the Senate by a vote of 72 to 15 passed legislation to place limits on this flood of imported beef.

Now the cattle industry in this country seems to be under attack from another corner. By the terms of the Appalachia bill, it is proposed to grant Federal subsidies up to 80 percent for purposes described as land stabilization, conservation and erosion control. Although there is no mention of pasturage or of cattle in the bill, the provision is virtually the same as section 203 of the 1964 bill.

It will be recalled that section 203 of last year's bill was deleted by the Senate. Its opening sentence read:

In order to promote fuller utilization of one of the region's important natural resources, the Secretary of Agriculture is authorized to make grants to assist in the "improvement and development of pastureland for livestock in the region."

The quoted portion of this language does not appear in the 1965 version of the bill. But in the testimony given at hearings, it was stated that section 203 will provide to eligible farmers such improvement as will make it economically feasible for livestock production." Within a very few years this would mean the improvement of 3.3 million acres, a witness testified.

The section in last year's bill, which was deleted, was the subject of testimony of Secretary Freeman, which in part reads as follows:

The principal opportunity for enhanced income from agriculture in Appalachia lies in a further expansion of livestock production.

We calculate that by 1972, with the full development of Appalachia's pasture resources, farmers in the region could raise their total annual income to a level about \$230 million above its present level.

If such testimony were true last year, it is obviously still applicable this year; \$230 million worth of additional cattle marketings is equivalent to somewhat more than 1 billion pounds of livestock.

Thus the very section in last year's bill, which was stricken by this body of the Congress, has found its way back into the bill with continued disastrous impact on the U.S. cattle industry as last year, if it is retained.

My amendment No. 11 would delete the entire section 203 as was done last year. The cosponsors of the amendment support the same action as taken last year, too.



Our opposition to this proposal is not due to any lack of sympathy for the problems of the small farmers of the Appalachia region. We understand those problems and would help with them if we could. But we cannot afford to grant discriminatory assistance to the cattle industry of one part of the country at the expense of our own producers. We cannot be expected to acquiesce in a proposal directed squarely against the livelihood of our own people.

Mr. President, surely Senators have not forgotten the uphill struggle of American cattlemen during these past 2 years, to keep their heads above water, to maintain the solvency and the productivity of the American cattle industry. American cattlemen suffered severely from the sharp price declines of 1963 and 1964. Initially, prices of fed cattle dropped as much as 30 percent on the major livestock markets. Choice slaughter steers in Chicago which were over \$30 a hundred in the latter part of 1952, averaged between \$21 and \$22 a hundred during much of last year. Although a part of this price drop has been recovered, it is only a part and prices are still distressingly low.

The plans announced for the Appalachia region were in terms of feeder cattle rather than fat cattle. The picture in this respect is even more depressing. Feeder cattle are still far below the prices even of last year. In Omaha during the week ended January 23, according to the Department of Agriculture, choice feeder steers averaged only \$21.50 per hundred, compared with \$24.25 per hundred at the same time last year.

It would be my hope that whatever action the Senate takes, it will not inflict another blow on the American cattle industry. Last year, the Secretary of Agriculture went up and down the land proclaiming that the problems of the cattle industry were due primarily to our own overproduction. It is inconsistent, in fact it is ridiculous for him to recommend and for us to take action to stimulate further beef production through the use of special Federal subsidies on a basis which discriminates in favor of one section of the country and against all other sections.

Amendment No. 11 should be approved so that section 203 will be deleted.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YOUNG of Ohio. Mr. President, the State of Ohio ranks 35th in area among the States of the Union, 5th in population, and second to none of the 50 States in scenic beauty.

In fact, Ohio has sometimes in the past been called the United States in miniature for the reason that in reality my State represents a complete cross section of all American life, with the exception, of course, of the high mountains such as those in the State

of our majority leader, the senior Senator from Montana [Mr. MANSFIELD] and in the other Western States, and also with the exception of the arid territory of the Southwest.

With those two exceptions, Ohio has almost every type of terrain. There are great sweeps of rolling farmland, vast forests, beautiful valleys interlaced with rivers and lakes, and the flat land of the Corn Belt. One-fifth of the population in my State is engaged in agricultural activities. We are proud of the family farmers of Ohio.

However, I know, as does everyone who has flown over my State, or who has traveled through the State of Ohio on our fine thoroughfares, that the great natural beauty of a large part of Ohio has been desecrated by strip mining of the coalfields. This is also true, of course, in some other States.

My distinguished colleague, the senior Senator from Ohio, as Governor of our State and as a Senator, has been a leader in the fight to compel the mineowners and the coal operators in the State of Ohio to do something toward the restoration of the beauty of nature which has been desecrated by them.

In the operation of the strip mines in Ohio, the coal operators, to pursue their private purposes and seek profit, have removed the topsoil. They have removed the beautiful trees, the grass, the shrubs. In their place, they have left shale and rock, on which nothing will grow. Barren, unsightly earth, and acid-poisoned holes are what remain after the mineowners and the operators of the strip mines in the State have done their job.

As a member of the Committee on Public Works, I attended hearings and listened to the testimony of witnesses. I was present and my vote was cast, along with the votes of others, to bring this administration measure to the floor of the Senate. I intend, of course, to support this fine legislative proposal. Nevertheless, it is the intention of the junior Senator from Ohio to support the amendment offered by his colleague, the senior Senator from Ohio.

We must, by our action, and by our vote in the Senate, manifest that it is neither the intention nor the policy of Congress to be idle and acquiesce in the desecration of beautiful landscapes and the poisoning of the soil in the State of Ohio and in other States, and then provide that those guilty of this desecration would be put to no expense whatever in the restoring of the land to the condition in which they found it. It would be unthinkable to place that burden entirely on the taxpayers of our country.

My colleague, the senior Senator from Ohio, as the Governor of Ohio, urged the legislature of our State time and time again to right this wrong that has been committed by the strip mine owners and operators in Ohio.

In the Senate he has urged the appointment of a commission to study strip coal mine operations. He has taken exactly the position he took as Governor of our State when he urged the legislature to crack down on those who destroyed the land and fertile soil and

ravished the beauties of nature for the sake of profit.

We should stop, look, and listen before we ask that Federal funds be expended to rehabilitate land ravished by strip mine operators in Ohio and other States. It is a ridiculous paradox to permit this.

So it is that, while I want this administration proposal to be enacted into law, for the sake of future generations of Americans it is high time that the Federal Government began to have a real interest in a situation which permits the destruction of so much of our Nation's land and so much of the beauty that the Almighty has given to us in the United States.

I feel, as does my colleague from Ohio, and as I am certain many, if not the majority of Senators feel, that the State legislatures owe a duty to provide remedial legislation and that we in the Congress also owe that duty.

I am glad to follow the leadership of my colleague from Ohio and intend to support his amendment. I hope it will be adopted.

I yield the floor.

(Mr. MONTROYA assumed the chair as Presiding Officer.)

Mr. BASS. Mr. President, I rise in support of the proposed Appalachia Regional Development Act, which I am cosponsoring. Tennessee is one of the 11 States included in Appalachia, having 49 out of its 95 counties located within the region. Forty-five percent of the State's inhabitants live, work, and raise their families there. However, unless more opportunities are provided for the region's young people, a good number of these people will not raise their families in the land of their fathers. Nor will their talents and energies contribute to the area. In the decade between 1950 and 1960, for example, 63 percent of Tennessee's outmigration came from the 45 percent of the people in Tennessee Appalachia. This, of course, represents, in large part, the cream of our young people, who have concluded that life's struggle was difficult enough without having to face the extra burden of inadequate opportunity.

In Appalachia as a whole, one in three families have an annual income of less than \$3,000 as compared with one and five families in the balance of the country. In Tennessee Appalachia, one in every 2½ families have an income of less than what President Johnson considers to be the minimal family income above poverty. Per capita income in Appalachia as a whole is \$1,405, while in the Tennessee portion it only amounts to \$1,257. We have approximately 35,000 people on the unemployed rolls in this area of our State, resulting primarily from an employment decline of 57 percent in mining during the decade of the fifties.

Of course, this situation is made worse by the fact that 16 percent of the adult population in the Tennessee Appalachia has less than 5 years of education, as compared with 11.6 percent in the entire region and 8 percent in the United States. And, as a result of these conditions, these Tennessee families make up a sizable portion of the people in Appalachia receiving \$41 million per month in Federal welfare payments. This amounts to al-



most half a billion dollars annually. The attorney-writer, Harry Caudill, of Whitesburg, Ky., in his statement to the Committee on Public Works made a very enlightening observation concerning these welfare programs when he stated:

The cash and food sustain life but create nothing constructive. In the 7th decade of the 20th century, the American Government applies to the white Kentucky (and Tennessee) highlander the same ruinous techniques it has applied so long and with such spectacular lack of success to the conquered Plains Indians. In effect, it has created a vast paleface reservation in the southern mountains where tens of thousands of once proud and independent men and women and their progeny are left to rot in idleness, frustration, and despair.

The proposed Appalachian Regional Development Act is designed to attack, on a regional basis, this idleness, frustration, and despair. If successful in its purpose, the act will abolish the need for a welfare program on any scale near the present one.

The frontline of this attack presents a regional commission which would initiate comprehensive plans for regional development and coordinate action between the 11 States and the Federal Government. Each State and the Federal Government are to be represented on the commission. The bill establishes its own checks and balances system by providing that Federal money will not be recommended to be spent without the approval of the Federal member and that no State shall have foisted upon it any program that it does not first approve. As a matter of fact, as a further protection to the individual State rights, an application for assistance under the act can reach the commission only through the State representative sitting on the commission. This commission will constitute the first overall regional planning and coordination group in the history of the region; a region so rich in resources and potential, yet so eroded by neglect and lack of foresight and so famished by lack of far-sighted development.

The highway program is the largest single proposal in the bill. The report of the President's Commission stated:

The remoteness and isolation of this region lying directly adjacent to the greatest concentrations of people and wealth in the country, is the very basis of the Appalachian lag. \* \* \*

Its [Appalachia] penetration by an adequate transportation network is the first requisite of its full participation in industrial America.

This quote is particularly applicable to Tennessee Appalachia. In the Cumberland Plateau region there is one good highway bisecting the plateau running east and west, but no decent highways running north and south. The same is true for the areas between Knoxville and the State of Kentucky. Among the five areas listed by the President's Commission as having accessibility in one direction and no access to and from other directions, Tennessee was involved in three: First, an area at the intersection of Georgia, Tennessee, and North Carolina; second, a area at the intersection of southeastern Kentucky, southwestern Virginia, and West Virginia, and north-

east Tennessee; and, third, the Cumberland Plateau area of Tennessee.

While certain suggested highway corridors were contained in the President's Appalachian Regional Commission's report, the bill leaves it up to the Commission established in title I to make recommendations on the locations of these various highways. State highway departments have to be consulted by the State representatives prior to making recommendations. The Secretary of Commerce is given authority to pass on the Commission's recommendations or make whatever modifications he sees fit. Normal relationships between the Secretary of Commerce and various State highway departments as set out in existing law is to be followed then in implementing these recommendations.

In the past the criteria for determining future highways is based on projected traffic needs. This in effect has meant that areas with highways and much traffic received more highways. The philosophy behind the building of roads under this bill, however, is to create traffic where none now exists.

Provided the Commission's recommendations follow generally the President's Commission report—and it is assumed that this will be true to a large extent—Tennessee would receive 328 miles out of the proposed 2,350 miles of highways. This amounts to 13 percent of the total and is exclusive of the 1,000 miles of access roads authorized by the bill. Among the roads to be located in Tennessee is a route connecting Chattanooga, Tenn., with Interstate 75 south of Lexington, Ky. This would run directly through the Cumberland highlands. Another highway would connect Chattanooga with Interstate 40 just west of Asheville, N.C. Atlanta would also connect into this. A road would cross upper east Tennessee to connect Asheville with Columbus, Ohio, another connecting Interstate 75 north of Knoxville with Charleston, W. Va. This latter, when completed, would be the most direct route from Chattanooga or Knoxville to Pittsburgh, Washington, and Baltimore.

In addition to the benefits derived from the completion of the highways in alleviating transportation problems, the program would produce an estimated 30,000 man-years of on-site employment. Approximately 5,170 of these man-years of employment would be created in Tennessee. While the bill does not require it, the Senate Public Works Committee report urges the Secretary of Commerce to promulgate regulations which will insure the maximum feasible employment of local labor.

A total of \$840 million is authorized as the Federal Government's contribution to this program. Using the ratio of mileage set out above, Tennessee would receive approximately \$116,760,000 of these Federal funds and would have to match this with about \$35 million of State funds. This is based on the 70-30 formula of Federal-State contributions.

This highway provision of the bill has been criticized on the grounds that it authorizes an additional highway program for the Appalachia region almost

as large as the annual Federal highway aid program. It should be pointed out that in the first instances the proposed road network is only one-eighth as large as the annual Federal-aid A-B-C highway program.

In the second instance, much of the present program does not reach Appalachia because of the underlying philosophy of building to aid traffic congestion. The present proposal will there augment, rather than compete with the regular highway program. By providing needed connections between the Interstate System and the remote and underdeveloped areas of Appalachia it also augments the interstate highway program.

In many sections of Appalachia, the low income impairs a reasonable support of private medicine and the tax base necessary for even rudimentary public health facilities is nonexistent. For instance as late as 6 years ago there were at least 11 counties in Tennessee Appalachia which did not even have a hospital and another 7 which had less than 2 hospital beds for each 1,000 residents. At least 4 east Tennessee counties only had 1 doctor for more than 6,000 residents. Four more counties have only 1 doctor for each 4,500 residents.

The provision in the bill providing for multicounty demonstration health facilities including hospitals, regional health, diagnostic and treatment centers, and other necessary health facilities are therefore sorely needed in Tennessee.

Timber is considered, in economic terminology, to be a prime multiplier. The Forest Service estimates the value of sawtimber on the stump is increased 25 times as it is transported, processed, manufactured and sold as end products. The report of the President's Commission points out that, in Appalachia, this multiplier affect on the harvested timber is too often lost, as the veneer logs are shipped out of the region for processing.

The total loss from this source can be seen more clearly when it is noted that three-fifths of the total land area of Appalachia is forested. Some 48,000 people are employed annually in harvesting this timber which is valued at \$86 million on the stump. For each two men employed in harvesting, another five work in primary and secondary wood processing. Using the multiplier of 25 this means that the finished product of this timber is worth in excess of \$2 billion. The problem therefore is to prevent most of this \$2 billion from escaping Appalachia.

The problem is complicated by the fact that 70 percent of these timber stands are in tracts averaging less than 50 acres and owned by about a million small private owners. These people have neither the know-how nor the individual financial resources to properly care for, and develop, this timber and its potential.

Through the approach of timber development organizations the bill proposes to alleviate this lack of technical knowledge and shortage of funds. These units will allow a number of small landowners in a given locality to band together into a single management unit. This will permit a cooperative effort at better management, including the con-



solidation of small holdings into efficient management units and the establishing of harvesting and timber marketing practices. The funds available to carry out this program are to be loaned; they are not for grants. These funds can be used for the construction of facilities necessary for timber growing, such as access roads, boundary markings, and other similar facilities. These organizations are not to be federally directed; their direction and management will come through existing private and State rather than Federal channels. They are also to be nonprofit, State incorporated organizations. Aside from the loan program, the Federal Government's participation is limited to supplying technical assistance designed to aid local people in establishing wood-using complexes.

Tennessee, with 13½ million acres of forest land, most of which is in Appalachia, would receive valuable assistance under this program.

Tennessee Appalachia has long been the scene of marginal farming and eroded lands. The Tennessee Valley Authority while making considerable inroads within its provinces, has been hampered by budgeting limitations to get into this area except along the immediate runoff areas of its lakes. Under section 203 of this bill, land improvement and erosion control are made possible. The steep slopes of Appalachia have for too long, remained unproductive because of erosion and their unsuitability to row crop farming. This program will provide the means to establish an adequate vegetative covering for this eroded land or assist in converting it to pasture land capable of supporting economical livestock operations.

There are approximately 23,800 farms in Tennessee Appalachia and 1,749,000 acres of pasture. It is believed that during the life of this program some 15,000 farms and 290,000 acres of land would receive assistance in Tennessee.

Practices of both strip mining and deep mining operations have eroded the hill-sides, polluted the streams, and endangered the lives of thousands of people. For example, it is estimated that at least 4,000 miles of Appalachian streams are polluted by acid or alkaline mine drainage. This provision will make a limited amount of funds available to reclaim some of this land. In order to insure that private landowners do not receive a windfall at Government expense from the reclamation of strip mines, the bill provides that such projects will be carried out only on those lands to which the public has access or from which a public benefit will result.

The bill also calls for a comprehensive study of strip and surface mining operations by the Secretary of Interior. After completion of this study the Secretary is to submit a recommended long-range program for reclaiming and rehabilitating mining areas, a program which is recognized as sorely needed by anyone who has ever driven through a strip mined area.

Because of its topography, much of the land area of Appalachia is unsuitable for urban, industrial, and agricultural ac-

tivity. For instance, only 30 percent of the region's land area is in soil capability classes I to III as compared to the national average of 44 percent. To compound the problem in Appalachia of the land suitable for development, approximately 23 percent is located on or adjacent to a flood plain and is therefore subject to flooding. While this problem is not as acute in Tennessee as in other parts of the region due to the work of TVA, there are still areas which need attention. Additionally, there is the stream pollution problem which is far from being under control. As an example, the Tennessee River, just below Knoxville has been cited as rivaling the Potomac in pollution.

The water resources survey authorized by the bill, requires the Corps of Engineers to conduct a thorough and comprehensive survey of the entire region and requires this to be done in consultation with the Appalachian Regional Commission and all appropriate Federal and State agencies. Concern from some sources of the possibilities for hydroelectric power generation has been noted. The committee report states that it was not intended for this aspect of water planning to take more or less precedence over the other facets of the program, but noted that a comprehensive plan would not be comprehensive without the study of every aspect of water resource development.

Supplementing and modifying existing programs, part B of title II of the bill provides \$16 million for construction of vocational education facilities under the Vocational Education Act; \$6 million for construction of sewage treatment control facilities under the Water Pollution Control Act; \$90 million for Federal grant-in-aid projects found in other acts including the Federal Airport Act, the Higher Educational Facilities Act, the Watershed Protection and Flood Prevention Act, title VI of the Public Health Services Act, and the Library Services Act. These grants can amount to 80 percent of the total cost of the project regardless of the formula contained in the existing acts.

In Tennessee Appalachia 21 of the 49 counties included have a population which, on the average, completed less than 8.1 school years. In Campbell, Scott, and Union Counties, for instance, the average person over 25 years old has completed 7.7 years, 7.4 years, and 7.5 years, respectively. Sixteen percent of the adult population in Tennessee Appalachia has less than 5 years of school as compared with 11.6 percent in the whole region and only 8 percent in the balance of the United States. The need to alleviate this problem then is obviously pressing. The bill strikes at this through the provision for construction of vocational education facilities. At present the only vocational schools in the Tennessee portion of the region are believed to be in Knoxville and Chattanooga.

Inadequate sewage treatment and pure water facilities are major problems in Appalachia. The provision of the bill states that these special authorizations are not to be affected by the authoriza-

tion ceilings or allotments among the States otherwise provided in the Water Pollution Control Act.

The lagging economy in many sections of Appalachia has resulted in Federal grant-in-aid programs not being fully utilized by communities most in need of them, simply because they cannot produce the matching funds required. Therefore, the bill contains authority to allocate funds to eligible locations for the sole purpose of increasing the Federal contribution above the fixed maximum portion of the cost authorized by applicable law. These funds are limited to grants and cannot be used for any loan or other federally assisted program. They can be used only for construction and equipment of facilities.

This entire "part B" has been termed by the bill's opponents as "a backdoor reenactment of the discredited and ineffectual Public Works Acceleration Act for the 355 counties in Appalachia." In rebuttal to the charge that the accelerated public works program was discredited and ineffectual, it can be noted that through April 15, 1964, a total of \$15,007,000 in grants had been made to Tennessee Appalachia. These grants included such diverse purposes as water and waste treatment facilities, road construction, reforestation, recreation facilities, fire station, airports, hospital facilities, and strip mine reclamation and were made to 37 out of 49 of the Appalachia counties—only 42 counties were eligible—as of July 1, 1964, projects under this ineffectual act had produced a total of 25,931 man-months of employment on 96 separate projects; that is the equivalent of 112,372 workweeks of 40 hours each. Certainly this contributed something toward relieving the unemployment problem in Tennessee Appalachia.

I hope we can obtain congressional approval of this important legislation and have it put into effect, not only for the assistance of Appalachia, but for the benefit and the raising of the living standard of all Americans.

#### RECESS TO 10 A.M. MONDAY

Mr. BASS. Mr. President, in accordance with the previous order, I move that the Senate now stand in recess until 10 o'clock on Monday morning next.

The motion was agreed to; and (at 3 o'clock and 35 minutes p.m.), under the previous order, the Senate recessed until Monday, February 1, 1965, at 10 o'clock a.m.

#### NOMINATIONS

Executive nominations received by the Senate January 29, 1965:

The following-named persons to be postmasters:

##### ALABAMA

Walker E. Morris, Cherokee, Ala., in place of E. B. Reid, retired.

L. D. Stapp, Epes, Ala., in place of H. P. Welch, retired.

##### ALASKA

Nina A. Lie, Kotzebue, Alaska, in place of H. B. Lie, resigned.



89TH CONGRESS  
1ST SESSION

Calendar No. 7

# S. 3

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IN THE SENATE OF THE UNITED STATES

JANUARY 29, 1965

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. MILLER to S. 3, a bill to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region, viz:

1       On page 44, between lines 22 and 23, insert a new section as follows:

3                               “LIMITATION

4       “SEC. 404. Notwithstanding any other provision of this  
5 Act, no funds authorized in this Act, other than those authorized in section 201, shall be expended for any program or  
6 project except to the extent such program or project is  
7 carried out in a ‘redevelopment area’, designated as such  
8 by the Secretary of Commerce pursuant to section 5 of the

Amdt. No. 12

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## **AMENDMENTS**

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and coordination needed to assist in the de-  
velopment of the Appalachian region.

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**JANUARY 29, 1965**

**Ordered to lie on the table and to be printed**









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

Issued February 2, 1965  
For actions of February 1, 1965  
89th-1st.; No. 21

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HIGHLIGHTS: See page 6

## SENATE

1. APPALACHIA. By a vote of 62 to 22, passed with amendments S. 3, the Appalachia bill (pp. 1638-55, 1657, 1658-70, 1672-82). Sen. Byrd, W. Va., inserted a section-by-section analysis of the bill as passed (pp. 1722-5).

Agreed to the following amendments:

By Sen. Lausche, to provide that no funds may be used to restore private coal lands ruined by strip mining, pending completion of a study of the problem. pp. 1658-60

By Sen. Kennedy, N. Y., as modified by an amendment by Sen. Javits, to provide that the Appalachian Regional Commission is authorized to study and consider the inclusion in the program of such counties of N. Y. as are contiguous to the Appalachian region. pp. 1662-4

By Sen. Long, La., to provide for making available to the public any patents made possible by discoveries resulting from the use of Government research funds under the program. pp. 1668-70

Rejected the following amendments:

By Sen. Hruska, 28 to 56, to strike out provisions of the bill authorizing the Secretary of Agriculture to make grants to landowners to assist in land stabilization, erosion, and sediment control activities. pp. 1674-80

By Sen. McClellan, to include the Ozark region under the provisions of the bill. pp. 1665-8

By Sen. Miller, to provide that assistance under the bill may not be furnished to any country in the region which does not meet the requirements of a distressed area under criteria specified in the Area Redevelopment Act. pp. 1673-4

2. APPROPRIATIONS. The Appropriations Committee reported with amendments H. J. Res. 234, providing supplemental appropriations for this Department (S. Rept. 52) (p. 1683). Sen. Holland submitted notices of intention to move to suspend the rules for purposes of offering two amendments to this measure (p. 1713). The "Daily Digest" states that the Committee adopted an amendment providing that no part of the appropriation shall be used during fiscal year 1965 to finance the export of any agricultural commodity to the United Arab Republic under title I of Public Law 480 "except when such exports are necessary to carry out the Sales Agreement entered into October 8, 1962, as amended, and if the President determines that the financing of such exports is in the national interest" (p. D57). Attached to this Digest is a summary of actions of the Committee.
3. COFFEE. The Finance Committee reported with amendments S. 701, to carry out U. S. obligations under the International Coffee Agreement (S. Rept. 53). p. 1685
4. FOREIGN AID. Sen. Javits stated that the President "should make a declaration that we will not aid the United Arab Republic so long as it torpedoes the cause of world peace and the foreign policy of the United States," and that unless he did the Senate had no alternative but to follow the House action terminating sales of agricultural commodities to the UAR under title I of Public Law 480. pp. 1657-8
5. CULTURAL EXCHANGE. Both Houses received from the President a report on the international cultural exchange program for fiscal year 1963. pp. 1591, 1635
6. NOMINATION. Received the nomination of Buford Ellington to be Director of the Office of Emergency Planning. p. 1741
7. FOREIGN TRADE. Sen. Bennett expressed concern over the continued outflow of gold from the U. S. and urged that steps be taken to expand exports, reduce tariff and nontariff barriers to the sale of U. S. goods, and reduce the foreign aid program. pp. 1718-20
8. COMMITTEE INVESTIGATIONS. The Rules and Administration Committee reported the following resolutions authorizing committee studies and investigations: pp. 1683-4  
S. Res. 13, without amendment, authorizing studies by the Post Office and Civil Service Committee (S. Rept. 24).



Sec. 9. The Secretary shall cooperate with the Secretary of Health, Education, and Welfare, and with the appropriate State water pollution control agencies, to prepare and develop agreements for eliminating or diminishing the pollution of waters within the Saint Croix National Scenic Waterway.

Sec. 10. There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this Act.

#### APPOINTMENTS BY THE VICE PRESIDENT

The VICE PRESIDENT. Pursuant to Senate Resolution 33 of the 87th Congress, as amended, the Chair appoints the following to be minority members of the Special Committee on Aging: Senators ALLOTT, MILLER, and PEARSON.

#### EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

##### REPORT ON ACTIONS TAKEN BY FEDERAL AGENCIES UNDER PUBLIC LAW 88-451

A communication from the President of the United States, transmitting, pursuant to law, a report on the actions taken by the Federal agencies under authority of Public Law 88-451, for the period from August 16, 1964, through December 31, 1964 (with an accompanying report); to the Committee on Interior and Insular Affairs.

##### REPORT ON NUMBER OF OFFICERS ASSIGNED OR DETAILED TO DUTY AT THE SEAT OF THE GOVERNMENT

A letter from the Secretary of the Air Force, reporting, pursuant to law, that as of December 31, 1964, there was an aggregate of 2,167 officers assigned or detailed to permanent duty in the executive part of the Air Force at the seat of Government; to the Committee on Armed Services.

##### REPORT ON FINAL VALUATIONS OF PROPERTIES OF CERTAIN CARRIERS

A letter from the Chairman, Interstate Commerce Commission, Washington, D.C., reporting, pursuant to law, on final valuations of the properties of certain carriers (with accompanying papers); to the Committee on Commerce.

##### AMENDMENT OF CERTAIN CRIMINAL LAWS APPLICABLE TO THE DISTRICT OF COLUMBIA

A letter from the Acting Attorney General, transmitting a draft of proposed legislation to amend certain criminal laws applicable to the District of Columbia, and for other purposes (with an accompanying paper); to the Committee on the District of Columbia.

##### REPORT OF CHESAPEAKE & POTOMAC TELEPHONE CO.

A letter from the vice president, the Chesapeake & Potomac Telephone Co., Washington, D.C., transmitting, pursuant to law, a statement of receipts and expenditures of that company, for the year 1964 (with an accompanying report); to the Committee on the District of Columbia.

##### REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on overstated requirements for replacement of high-endurance vessels, eastern area, U.S. Coast Guard, Treasury Department, dated January 1965 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on unnecessary costs incurred because obsolete weight design goal was used for the design, integration, and test of Nim-

bus spacecraft by the Goddard Space Flight Center, National Aeronautics and Space Administration, dated January 1965 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on planned disposals of needed automotive repair parts, Department of the Army, dated January 1965 (with an accompanying report); to the Committee on Government Operations.

##### AMENDMENT OF SECTION 1391, TITLE 28, UNITED STATES CODE

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting a draft of proposed legislation to amend section 1391 of title 28 of the United States Code relating to venue (with an accompanying paper); to the Committee on the Judiciary.

##### REPORTS ON FAIR LABOR STANDARDS IN EMPLOYMENTS IN AND AFFECTING INTERSTATE COMMERCE

A letter from the Secretary of Labor, transmitting, pursuant to law, reports pertaining to fair labor standards in employments in and affecting interstate commerce, dated January 1965 (with accompanying reports); to the Committee on Labor and Public Welfare.

##### REPORT OF POSTMASTER GENERAL

A letter from the Postmaster General, transmitting, pursuant to law, his report for the fiscal year 1964 (with an accompanying report); to the Committee on Post Office and Civil Service.

##### REPORT ON CERTAIN CIVILIAN POSITIONS

A letter from the Assistant Administrator for Legislative Affairs, National Aeronautics and Space Administration, Washington, D.C., transmitting, pursuant to law, a report on certain civilian positions in that Administration, for the calendar year 1964 (with an accompanying report); to the Committee on Post Office and Civil Service.

#### PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Arkansas; to the Committee on the Judiciary:

##### "HOUSE JOINT RESOLUTION 1

House joint resolution applying to Congress to call a convention for the purpose of proposing an amendment to the Constitution of the United States

"Be it resolved by the House of Representatives of the General Assembly of the State of Arkansas (the Senate concurring therein), That this legislature respectfully applies to the Congress of the United States to call a convention for the purpose of proposing the following article as an amendment to the Constitution of the United States:

##### "ARTICLE —

"SECTION 1. Nothing in this Constitution shall prohibit any State which shall have a bicameral legislature from apportioning the membership of one house of such legislature on factors other than population, provided that the plan of such apportionment shall have been submitted to and approved by a vote of the electorate of that State.

"SEC. 2. Nothing in this Constitution shall restrict or limit a State in its determination of how membership of governing bodies of its subordinate units shall be apportioned.

"SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submis-

sion to the States by the Congress'; be it further

"Resolved, That if Congress shall have proposed an amendment to the Constitution identical with that contained in this resolution prior to June 1, 1965, this application for a convention shall no longer be of any force or effect; be it further

"Resolved, That a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States and to each Member of the Congress from this State.

"Approved:

"ORVAL E. FAUBUS,  
"Governor."

Resolutions of the House of Representatives of the Commonwealth of Massachusetts; to the Committee on Labor and Public Welfare:

##### "RESOLUTIONS MEMORIALIZING CONGRESS AND THE ADMINISTRATOR OF VETERANS' AFFAIRS TO PREVENT THE CLOSING OF THE RUTLAND HEIGHTS HOSPITAL

"Whereas it has been brought to the attention of the Massachusetts House of Representatives that the medical-surgical facilities of the Veterans' Administration located at Rutland Heights in the Commonwealth will be closed effective June 30 of the current year; and

"Whereas the closing of this facility is in direct conflict with the general philosophy behind veterans' benefits in the United States as it has evolved over a long period of years and will result in derogation of veterans' benefits; and

"Whereas the removal of this hospital will work a particular hardship on the veterans of the Commonwealth and the present facilities should be retained to serve those who have served so well: Therefore be it

"Resolved, That the Massachusetts House of Representatives urgently requests that the Congress of the United States take such action as may be necessary to prevent the closing of the veterans' facilities at Rutland Heights; and be it further

"Resolved, That the Administrator of Veterans' Affairs of the United States rescind the order providing for the closing of the medical-surgical facilities located at Rutland Heights; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the Administrator of Veterans' Affairs, the Surgeon General of the United States, to the Presiding Officer of each branch of Congress and to each Member thereof from this Commonwealth.

"House of representatives, adopted, January 20, 1965.

"WILLIAM C. MATERS,  
"Clerk."

"Attest:

"KEVIN H. WHITE,  
"Secretary of the Commonwealth."

The petition of Everett N. Gibson, of Ionia, Mich., praying for a redress of grievances; to the Committee on the Judiciary.

#### MORNING HOUR DISPENSED WITH

Mr. MANSFIELD. Mr. President, there will be no morning hour. I understand that the distinguished Senator from Wisconsin [Mr. NELSON] and other Senators have some questions that they would like to ask when the unfinished business is placed before the Senate.

#### SUBCOMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee-



tee on Constitutional Amendments of the Judiciary Committee and the Subcommittee on Education of the Committee on Labor and Public Welfare were authorized to meet during the session of the Senate today.

#### APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill S. 3, to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

The Senate resumed the consideration of the bill S. 3, to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Wisconsin?

Mr. MANSFIELD. Mr. President, I shall yield, but first I should like to suggest the absence of a quorum without losing my right to the floor so that a few additional Senators may come to the Chamber.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

#### LEGISLATIVE PROGRAM—SUBMISSION OF MINORITY VIEWS ON INTERNATIONAL COFFEE AGREEMENT

Mr. MANSFIELD. Mr. President, after consultation with the distinguished minority leader, I announce that at the conclusion of the vote on the Appalachia bill now pending, it is our intention to call up the nomination of Mr. W. J. Driver to be Administrator of Veterans' Affairs. Following consideration of that subject, the Senate will take up the International Coffee Agreement.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. CARLSON. I should like to discuss very briefly the plans for scheduling consideration of the International Coffee Agreement. I have prepared minority views on that subject. If it is agreeable to the majority leader and other Senators, I ask unanimous consent for the privilege of submitting those views for printing tonight so that they will be available tomorrow. They are not now available.

Mr. MANSFIELD. I shall be delighted to have the Senator do so. I have discussed that subject with the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN]. We have proceeded on that assumption.

Mr. CARLSON. That is satisfactory to me.

The VICE PRESIDENT. Without objection, it is so ordered.

#### APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

The Senate resumed the consideration of the bill S. 3 to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

Mr. KENNEDY of Massachusetts. Mr. President, I rise in enthusiastic support of the Appalachian regional development bill.

No region has suffered more from economic fate than Appalachia. No people have been more patient. Shut off by their mountains from many of the benefits of the industrialization of America, they have borne their burden like men, and like men have now found a way to remove it.

This bill is in redemption of promises made to the people of Appalachia for many years. It is a constructive and forward-looking approach. Every dollar authorized is a sound investment. We passed it last year. It should be passed, unencumbered, today.

At the same time, Mr. President, I desire to speak for my own region of New England which, though far in advance of Appalachia in most respects, economically, can benefit greatly by a later extension of what we are doing today.

For a number of years it has been evident that the economic growth of New England and the wages and incomes of our people are not keeping pace with the Nation as a whole. There are areas in many of our States which have had unacceptable levels of employment for well over a decade. There are serious pockets of poverty throughout southern New England, and there are whole areas of poverty across our three northern New England States. For instance, parts of southeastern Massachusetts, the Merrimack Valley, and the Berkshires, in my State, have been in the labor surplus category for over 15 years, and between 20 and 30 percent of the families in Vermont, New Hampshire, and Maine have an income of less than \$3,000 a year. Similar problems exist in Rhode Island and Connecticut.

Much of the land area of New England has no industrial or other productive activity coming from it. In northern New England the industrial structure is limited to a small number of industries, not sufficiently diversified. At the same time, this area's highway and transportation systems, together with its community facilities relating to health, education, sanitation, housing, and vocational training, are in serious need of improvement in order to encourage new industry to settle in the area.

In the Southern New England States—Massachusetts, Rhode Island, and Connecticut—the new electronic space age industries have been experiencing fluctuations in employment with the chang-

ing needs of technology and defense, and many of our traditional industries such as cotton and wool textiles, shoes, non-electrical machinery, and furniture are continuing to move out, or go out of business altogether. This has led to a substantial decline of manufacturing jobs, coupled with an increase of available workers who are not being sufficiently absorbed into the industrial and service fields. The result is poverty, disillusionment, and regressive growth.

I do not mean to say that the New England economy is in real danger, or in crisis, or faces anywhere near the long road back to health that Appalachia faces. On the whole, our situation is stronger and stabler than 12 years ago, when President Kennedy addressed himself to its problems from this floor. New England continues to enjoy in a number of its areas a good reputation in education and skills, and in the income of many of its people. We are still the research hub of America. But in marking our progress, we must not overlook the basic problem areas which remain.

Like their northern neighbors, the Southern New England States have serious problems of water pollution, sanitation, substandard housing, and manpower training and rehabilitation. These States shoulder a special burden of mass transit and intercity passenger travel by rail and air. In addition, the population explosion has begun to work a crisis in the educational field. This is especially true with respect to the high school dropout, or graduate who does not have the means for further education, but who must seek work in an increasingly technological and intellectual labor market.

The forests of New England are one of the region's richest resources. We need to develop and protect them through modern methods of conservation and technology. Our fishing industry has a tremendous potential with the increased demand for high protein food in our own country and throughout the world. We must embark on programs of ocean engineering and research to improve and modernize the harvest of valuable materials from the sea.

As population increases, there will be a greater demand for agricultural products, such as milk, poultry, potatoes, and various perishable products. The New England farmer has an excellent competitive advantage in being close to his New England markets, and with a good road system, close to other large cities outside New England. We must utilize new farming and marketing techniques to make better use of our unproductive land.

By 1970 there may have to be a doubling of generating capacity to meet New England's power needs. With an increased growth rate, even more capacity will be needed. We must seek the implementation of new power sources, such as Passamaquoddy, nuclear energy and hydroelectric generation, with grid tie-ins to sources outside New England. At the moment, we should work together in an all-out effort to eliminate quotas on residual oil in order to keep down manu-



facturers' fuel costs, and the cost of generating electricity for consumers.

The supply of high-quality water is an important industrial and municipal asset of New England. However, increasing abuse over the past years has impaired the quality of many streams and rivers, and in some instances have periled parts of our fishing industry. There is a basic need for a strong multistate water pollution program. Likewise, we need to develop comprehensive programs for the conservation of water, and greater use of our rivers for recreation, navigational and other purposes.

There is a great untapped potential in the vacation business in New England. With an improved transportation network, and roads, the New England seashores and mountains can become a vast year-round retreat for the people who live and work in our northeastern urban centers. There is ample area for expansion throughout New England in this industry.

One of the most important keys to the economic future of New England is an improved transportation network. A coordinated, easy access, high speed interstate expressway will give industry fast truck service to railheads, seaports and air cargo centers. A rejuvenated and modernized rail freight system, both bulk and piggyback, can help New England manufacturers to reach more domestic markets competitively, can improve the use of the port of Boston for export at cost savings to shippers, and to provide for the fast, efficient supply of materials for industry.

The development of a New England regional air network is also fundamental. With the advance of short-range jets, and improved regional airports and electronic guidance and service equipment, commercial and recreational travel will be stimulated and the need for more frequent schedules will be created.

Of strategic importance is the establishment of fast, new rail passenger and rapid transit service to move people safely and efficiently in and out of our major urban areas. Massachusetts has made a splendid initial effort in creating the Massachusetts Bay Transit Authority to relieve the New England railroads of their commuter passenger burden. But beyond mass transit, studies indicate the feasibility of a high speed intercity rail passenger system between Boston and New York and Washington, with possible extensions to other New England cities. Any substantial development in this direction could have great impact on providing incentives to industry to locate in our areas. Such a system, whether mass transit or intercity, logically fits into the development of a regional growth program.

However, the most crucial area for improvement concerns our human resources. We want to see the President's primary and secondary educational school program lift up the quality and opportunity for modern education in our underprivileged and underdeveloped areas. We need a regional program of vocational education centers, an increased number of regional community colleges, and higher education centers, which can

provide intellectual and technological talent to attract industry at the growth centers. We must develop a regional approach to job placement, which might help to clear away some of the confusion that exists today in this area.

We must make a thorough review of our hospital facilities and services, with a view toward providing for modern regional psychiatric, medical, and surgical hospital care, and the use of the latest diagnostic equipment, special treatment rooms, an increase in available beds, and the availability of good nursing care. Of great importance should be the improvement and new construction of nursing care facilities and centers for our older citizens who need attention.

#### DAY CARE CENTERS

We will require a broadening of our welfare services, better programs to combat juvenile crime, and an expanded poverty program, all a vital part of any regional recovery program. Many of our New England cities have begun to take on a new look of progress thanks to the urban renewal program, but much more, especially in the field of housing, has to be accomplished. Logically, the accelerated development and improvement of urban growth areas is fundamental to any long-range growth plan.

Our communities must be helped in meeting their burden of water sewage and sanitation services through coordinated Federal-State assistance programs. The increasing costs to growing communities to build local roads and streets can be offset by more Federal funds for major intercity highways.

All of these basic improvement programs are critical to New England's economic improvement. I speak of them today because we are about to pass a bill that embodies the best possible approach to regional development. What Appalachia has done can be a model for all regions.

Our main concern is to concentrate Federal and State funds in a manner which will do the most good on a long-range basis. This can only mean that we cannot stop at borders of our communities, or of our counties, or even our States, to bolster areas of lagging economy. We must coordinate the potential of regions and subregions to lift up and stimulate the distressed and underdeveloped centers that are the logical ones for future growth.

The need for a special Federal-State economic development program is by no means peculiar to New England, or to Appalachia. It exists in varying degrees in many other sections of the country. It concerns multi-State regions, as well as isolated areas. It involves cities, the poorer suburbs, the rural areas, and underdeveloped lands. President Johnson has indicated his awareness of this need for regional planning in his state of the Union message, when he called for "a regional recovery program to assist the development of stricken areas left behind by our national progress." In a recent speech before the AFL-CIO National Legislative Conference, the Senator from Michigan [Mr. McNAMARA] chairman of the Senate's Select Sub-

committee on Poverty and its Public Works Committee, recommended that special funds be appropriated to a National Regional Development Council which would then allocate them for expenditure by Federal agencies in accordance with plans approved by regions and local redevelopment districts. Other legislators are coming forward to request that their regions be included in the Appalachia legislation pending before the Congress, both for the purpose of study, and for special aid. This is healthy and necessary. It should not encumber the Appalachia bill. It should supplement it. Indeed, there is very active consideration of regional growth planning at all levels of government, from the city and county planners to the White House. Now is time for those of us in New England to get busy, and prepare our plans for economic improvement, so that we can be ready to advise the President of our needs when this new legislation becomes effective.

Of particular interest in the anticipation of Federal assistance for growth programs are the projections of Dr. Walter Heller, former Chief of the Council of Economic Advisers, who estimates that up to \$6 billion a year in new revenues may be available in the next few years for additional Federal spending. Dr. Heller suggests that this money be returned to the States in the form of a rebate, but I feel that this approach is lacking in both guidelines and control and would be neither politically feasible, nor economically effective. Rather, a better approach to assisting the States in their public improvements and growth might be to apply these additional revenues within the limitations of regional growth programs. Based upon the real needs of the communities and coordinated by Federal authority.

It was President Kennedy who, during his first months as a Senator, called for the "united efforts of the entire New England delegation" to seek and promote solutions for New England's economic ills. The President strongly supported the idea of a New England Governors' conferences, and as both a legislator and as President, he gave serious attention to the Governors' recommendations. It was largely through his stimulation that the New England Senators formed a conference group for the discussion of basic problems, and he strongly supported the work of the New England Council, representing some 2,000 New England businessmen, labor organizations, consumer and financial groups.

These have been worthy efforts. All of these organizations have been continuously concerned with New England's economic future, they have done an excellent job; but a broader and more coordinated approach is needed. A New England regional development program, under Federal-State coordination is a logical extension of what we have done in the past.

#### HOW WE CAN DEVELOP THE PROGRAM

The concept of a broad, regional economic growth program, developed and coordinated by one authority in which all the States of the region participate, is



a great step ahead in Government planning.

The first task of such a group would be to make an economic base study and industrial analysis of the New England region and its subregions. It could collect all existing studies of the region, of the States and of the political subdivisions completed during the past 10 years, and identify each of the research projects which are presently in process by Federal, State and local agencies. This information would be analyzed by a broad group of working teams, which could conduct further investigations in order to provide the latest background material for the study. Industry, labor, the consumer, and the academic profession should be asked to participate in this study.

Hopefully, within a year there could be a first report with recommendations as to those basic growth problems which need immediate and special financial assistance, and Federal-State coordination. Its recommendations could be of a regional, or subregional nature, depending upon the extent of the problems. It is most important that study take into consideration local development districts in the framing of regional programs.

In addition, the report could give us preliminary recommendations as to how these programs could be implemented, and suggest new areas of legislation directed to regional development. This regional planning program should be concerned first with the improvement of public facilities and public resources, to assist the underprivileged areas and to bolster the economy. Thus its emphasis initially might be on education, roads, housing, health facilities, transportation, sanitation, or manpower training. However, the program must also be concerned with the private sector, such as methods of improving investment in new industry; better use of our natural resources—water, forests, fisheries, vacation areas—the stimulation of greater export activity; and more effective ways of advertising the advantages of New England to the business community.

We have in our New England States some of the best academic institutions in the world. Many of these schools have departments and programs specifically directed to the study of social and economic problems and their solutions. There are nationally known experts in regional planning presently located in our State universities and in our larger private universities, such as Harvard, Yale, Massachusetts Institute of Technology, Boston College, Boston University, and others. Our State commerce and planning departments have a wealth of information which can be utilized in order to put together the broad picture. We are in excellent shape to begin the task which, I am confident, will be one of the most important things that New England has undertaken in recent years.

#### NEW ENGLAND MUST ACT NOW

For some time, I have felt that New England should follow the lead of the Appalachian States in moving ahead its own growth plan. As we know, the Appalachian Governors joined with Federal

agency representatives and experts to form the Appalachian Regional Commission and make a comprehensive study of the economic and social needs of an 11-State area, reaching from New York to Georgia. Within a year, this group sent to the President a detailed report, together with recommendations for special regional action programs designed to rehabilitate the Appalachian area, and spur its economic growth. This effort, in turn, has led to the bill before us. I think this is a good bill, and I intend to support it.

This cooperative approach of State and Federal experts, legislators, and others to promote an effective regional development plan is a significant example for New England. I feel that now is the time for us in New England to find out where we stand, and how we, as a community of States, mutually dependent and traditionally associated, can develop the great potential of New England for the benefit of all New Englanders. By cooperation, and by organization, I believe that we, too, can fashion an effective regional program, and present our case with the same persuasive enthusiasm as did the Appalachian Governors and their congressional delegation.

I am confident that the administration looks favorably on such a regional program. I have received assurances from the administration that it intends to include, in the new area redevelopment bill, soon to come to Congress, provisions for setting up regional organizations to study, recommend and coordinate broad Federal-State programs of economic improvement for distressed and underdeveloped areas, and that this will include New England.

I am further encouraged by the letter from the Bureau of the Budget, which the junior Senator from Maine [Mr. MUSKIE] has submitted for the record indicating further the administration's views on regional development. The letter states in part:

The President is convinced that we can apply the sound principles of regional economic planning toward assisting in the economic redevelopment of depressed areas throughout the Nation. The proposals which we will submit will provide the authority and funds to accomplish this purpose.

I am hopeful that in the debate in the Senate today on the Appalachia bill we may further clarify the legislative and administrative direction in which we will go in this area of regional economic development, after the Appalachia bill is passed.

I should like to say that I was pleased to cosponsor the legislation introduced last Thursday by the senior Senator from Michigan, providing for the establishment of regional growth studies, which I feel could be a sound first step in moving ahead with realistic regional development programs. I am also looking forward with interest to the development of a broader bill which may be introduced by the senior Senator from Michigan [Mr. McNAMARA], establishing regional commissions patterned after the Appalachia Regional Commission, and providing for special funds for action programs to meet basic regional needs in

public improvements and economic recovery.

At the same time, I have been working with my staff with experts to develop various legislative approaches to regional economic development which would be effective in the New England area. These, in essence, would seek the coordination and concentration of existing Federal assistance in programs and in areas where it would be best for long-range growth, and would provide for special assistance to those regional programs which have priority in importance, and need immediate acceleration to be effective. The emphasis of this legislation I am considering is not so much on regional planning as it is on making the plans work. I shall have more to say on this in the near future.

I intend to support and promote this regional approach to economic growth during this Congress. I feel that the Appalachia legislation is a good start, but that those of us from other regions where economic distress and underdevelopment are substantial, should now move rapidly ahead to frame our own programs, and develop legislation which will provide for our basic growth needs.

Mr. KENNEDY of Massachusetts. Mr. President, I ask unanimous consent that a statement made by the Senator from Maine [Mr. MUSKIE] and a letter be printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR MUSKIE

I commend my colleague, the junior Senator from Massachusetts [Mr. KENNEDY], on his active interest in and promotion of the concept of regional planning for New England. I am convinced that this approach, coupled with regional development based on such planning, offers real hope for economic revival and growth in our region. Economic need is not limited to Appalachia and regional economic unity is as apparent in New England as it is in the 11-State region which has been designated as Appalachia.

New England's identity as a region predates the independence of our Nation. It has continued throughout our history with an accelerating effort to create institutions which recognize and take advantage of our geographic, economic, and social interdependence. We do not always see eye to eye on specific issues, but we recognize that our fortunes are ultimately intertwined.

We also recognize that the pockets of poverty and economic distress cannot be treated as isolated problems. The ills of a single community or group of communities are influenced by, and influence, the health or disability of a region. Furthermore, economic problems tend to repeat themselves throughout a region—as, for example, in the case of the New England textile industry.

I support the Appalachia bill (S. 3) because I believe the Nation has a responsibility toward the people who live in that region and because I believe the Nation's economic health is affected by the problems of Appalachia. In addition, I believe the attention and the treatment being given Appalachia should be applied in New England and in other similar regions.

The administration, through the Budget Bureau, has advised us of its general intention to assist regional planning and development under the Area Redevelopment Act.



This has been set forth in a letter I received from Mr. Phillip S. Hughes, Assistant Director for Legislative Reference, dated January 27, 1965, which I attach to this statement. The details of that approach have not been spelled out, but we anticipate that they should be in a message from the President. Senator McNAMARA of Michigan, in his regional development bill (S. 812)—which I have cosponsored—suggests a different Federal approach to regional development.

We have not had an opportunity to examine these proposals so as to decide on the best vehicle for regional planning and development which incorporates Federal, State, and local assistance and cooperation. The administration and the Congress should do so without delay. Passage of the Appalachia bill (S. 3) does not relieve us of our regional development responsibilities. Those responsibilities can only be met with a sound Federal program which offers comparable financial and technical assistance for regional planning and for the programs and projects necessary to implement such plans on a regional basis.

I am pleased to join with the junior Senator from Massachusetts [Mr. KENNEDY] and my other New England colleagues in announcing our determination to obtain the same kind of assistance we are supporting for the region designated as Appalachia.

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington, D.C., January 27, 1965.  
Hon. EDMUND S. MUSKIE,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR MUSKIE: During consideration of the Appalachian Regional Development Act (S. 3), a number of Senators have raised questions about the administration's intentions with respect to making provision for redevelopment planning on a regional basis for other areas of the country.

The President is aware of the benefits to be gained from planning and carrying out economic redevelopment along regional lines. For areas outside of Appalachia, however, the appropriate regional groupings vary widely in terms of their size, their economic problems, and their economic resources. As a consequence, the careful definition of regional boundaries and the development of regional plans can best be undertaken as part of a general program for area redevelopment.

With this in mind, the administration intends to propose very shortly, as part of the extension and improvement of the Area Redevelopment program, measures to encourage and assist regional planning for the redevelopment of distressed areas.

The President is convinced that we can apply the sound principles of regional economic planning toward assisting in the economic redevelopment of depressed areas throughout the Nation. The proposals which we will submit will provide the authority and funds to accomplish this purpose.

Sincerely yours,

PHILLIP S. HUGHES,

Assistant Director for Legislative Reference.

Mr. RIBICOFF. Mr. President, the Senator from Massachusetts [Mr. KENNEDY] has marked his return to the Senate with a significant statement on the need for a coordinated program to deal with the problems of the New England area. New England's problems cannot be compared to the problems of the Appalachian region in terms of economic severity. My own State of Connecticut is prosperous and growing and we are working on those few pockets of unemployment and underemployment that do occur from time to time. But Connecticut and all of New England—and all the

other regions of the Nation—can take a page from Appalachia's book and begin to think and plan for the future in terms of regional growth and development.

This is true and necessary not just in the economic field, but in others as well. Pollution, for instance, is not the problem of one State alone in New England, or anywhere for that matter. Even now a Federal water pollution control enforcement case is pending between the States of Massachusetts and Connecticut. This problem must be attacked on a regional basis if it is to be successfully solved.

Transportation is another example of the need for regional action. Last week the Governors of Connecticut and New York joined together in an effort to solve the desperate commuter problem on the New Haven Railroad. The entire transportation problem requires regional solution. Again, one State alone cannot solve the problem alone.

For these reasons I have joined with the Senator from Massachusetts in cosponsoring S. 812, introduced last week by the Senator from Michigan [Mr. McNAMARA] providing for the establishment of regional growth studies. This is a good first step forward.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). The senior Senator from Maryland is recognized.

Mr. BREWSTER. Mr. President, I rise to discuss the Appalachia bill. But, before I do so, let me say how pleased I was to hear the voice of the junior Senator from Massachusetts in the Senate Chamber. We missed him and are very happy to see him back again.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. SALTONSTALL. Mr. President, I am sorry that I had to be present at a meeting of the Appropriations Committee to hear Under Secretary of State Ball and thus missed the speech of my colleague, Senator KENNEDY. However, I had an opportunity to read the speech that he just delivered. We have many problems in New England.

I intend to vote for the Appalachia bill. I believe that Congress should give consideration to the problems which exist in New England.

I commend the junior Senator from Massachusetts for bringing the matter to the attention of the Senate.

Mr. KENNEDY of Massachusetts. Mr. President, I appreciate the statement made by my colleague. The senior Senator from Massachusetts has been concerned with these problems over a long period of time.

Mr. RANDOLPH. Mr. President, will the Senator from Maryland yield?

Mr. BREWSTER. I yield.

Mr. RANDOLPH. Mr. President, I thank the Senator from Maryland for giving me the privilege to join the senior Senator from Massachusetts [Mr. SALTONSTALL] in expressing the view that we both share in hearing the junior Senator from Massachusetts speak again in this forum.

It is also gratifying to know that both the Senators from Massachusetts feel that there are problems within that area

which demand the cooperative partnership spelled out in the pending proposal.

I assure the Senators from Massachusetts that within the Committee on Public Works, there will be every prompt, yet thorough, effort made not only to study the bill, but also to listen to those persons, including the Senators from Massachusetts, who come before the committee with comprehensive and constructive programs. I believe the programs which exist in many areas of the country—as I have indicated more than once in the Senate Chamber, including September 25, last year, when the Appalachian bill was under debate—should be given attention.

Mr. President, I thank the Senator from Maryland for yielding.

Mr. BREWSTER. Mr. President, today the Senate is considering the Appalachian Development Act of 1965, a legislative measure aimed at helping the mountainous Appalachian region—an area which has been bypassed by America's growing economic prosperity.

The public works and economic development legislation we are considering here today is not a welfare dole for Appalachia. It is a carefully prepared program aimed at helping resourceful people to help themselves.

It has been authoritatively estimated that our gross national product would be \$12 billion higher this year if Appalachia's economy was equal to the national level. Our Nation cannot afford to continue supporting such an economic burden. I think this is the reason why so many of my non-Appalachian colleagues are supporting this regional development program.

This legislation is designed to strike at the heart of the cause of Appalachian poverty. Combined with programs initiated by the Economic Opportunity Act of 1964, it will form a total approach for concerted community action to establish the Great Society.

Frequently I am asked by people unfamiliar with Appalachia what makes it different from other regions of our country?

Appalachia is a 167,000-square-mile rural area, comprising all or part of 11 great States and 355 counties. Only 30 percent of its population live in cities of over 10,000 as compared to 56 percent of our Nation's total population.

The average Appalachian farm produces an annual crop worth only \$1,000. Contrast this with the average non-Appalachian farm income of about \$4,000. Most Appalachian farmers labor hard to eke out a bare subsistence from their poor hillsides.

Thousands of small communities have not been able to construct badly needed sewer and water systems, decent schools, and hospitals; items that we recognize as essential to the health and well-being of people in a modern technological society. The lack of an adequate tax base frequently makes it impossible for these communities to improve their facilities without outside financial assistance. These communities have been prevented from participating in existing Federal aid programs because they are too poor



to raise their share of the needed matching funds.

The major Appalachian industries—mining and agriculture—are declining employers. Vast sections of the region lack any form of manufacturing, particularly in the nonurban areas.

Appalachia's mountainous terrain frequently makes it difficult to locate suitable industrial sites. Much of the flat area requires flood protection before it is usable. Access is a continuing and real problem. Good roads are urgently needed to develop tourism and attract industry. These roads would link the heart of Appalachia with the markets of the eastern seaboard and the Midwest. Additional roads would run north and south through the great mountain valleys. These improvements must be made if Appalachia's disproportionately high rate of unemployment is to be reduced. Improved roads will not do the job alone; there is a need for improved rail and air transportation. Railroads, where they exist, are being permitted to deteriorate while many cities in the area either lack or have unsafe airports.

The mountainous terrain makes it imperative that airports in the region have the best navigation and safety facilities available. Only then will commercially scheduled airlines be able to service them adequately.

Two million people left their Appalachian homes during the past 10 years to join the work forces of the surrounding metropolitan centers. They left seeking greater opportunity. Most were young. Some were the skilled and well-educated—needed to provide the leadership in the impoverished communities they left; many were the unskilled unemployables who added to the burdens of city health and welfare programs. Appalachia is the only region in our country that has experienced a large out-migration during the past 15 years.

The picture is not all bleak however. Wonderful opportunities exist for the people of Appalachia if we provide them with the financial assistance they need to begin on their ambitious and farsighted economic development programs.

Appalachia extends from New York to Georgia, near and across several giant urban complexes. Its natural resources of rainfall, timber, coal, yet undiscovered minerals, farm land, and scenery can and must be properly developed—for the good of our entire Nation.

Coal, the major resource of Appalachia, continues to decline in use as a fuel, but modern research promises new and more profitable uses for it.

New methods of utilizing timber and the rapidly growing need for wood products provides the Appalachian region with an increasing market for its forest products. The United States today has to import millions of dollars worth of wood products each year.

I believe that the development of proper timber farming programs can go far toward meeting our domestic timber needs.

Agricultural employment will continue to decline as it has in the past, but many Appalachian farms can be made more

profitable. Perhaps most important is the fact that farmland will play an increasing role in conservation and recreation as our Nation becomes more and more urbanized.

Earlier, I pointed out that Appalachia lies between two giant population centers. In time to come, half of the Nation's population will look to this scenic mountain area as a year-round playground. The creation of lakes, using double purpose dams, will not only serve to increase recreational opportunities but will also insure a constant water supply for a major portion of the Eastern United States. Deep Creek Lake in Garrett County, Md., is a shining example of how an artificial lake can increase the economic opportunities of an area.

We are all aware that many fine colleges and universities are located in Appalachia. Needless to say, their continued growth is essential to the region. I do not need to tell you of the importance of facilities for higher education in an expanding technological society. Increasingly, modern industry is seeking locations convenient to education and research centers.

Appalachia has the potential to be part of President Johnson's Great Society. I am convinced it will be part of that society if we give it the financial assistance necessary to break through the vicious and continuing circle of poverty which has firmly gripped the region.

Maryland's three westernmost counties fall within the purview of Appalachian poverty and within the promises of Appalachian development. The economic future of Allegany, Garrett, and Washington Counties will largely depend upon the passage and successful execution of the Appalachian Development Act.

The Appalachian counties of Maryland are typical of vast areas of the region. Although they represent 15 percent of the State's total land area, they accommodate only 6.3 percent of the State's population.

The economic difficulties of Appalachian Maryland trace back over a period of 40 years. The decrease in coal mining and agriculture and the more recent decline in railroading have all contributed to the existing unhealthy economic situation.

The coal mines which once employed 6,000 provide jobs for only 500 today.

Farming provides employment for one-third of the work force in Garrett County, but in Allegany and Washington Counties for only 5 and 3 percent respectively.

Persistent unemployment coupled with low income and inadequate housing and school facilities in much of the area has resulted in the heavy out-migration typical of the Appalachian region.

In 1963, the per capita income in the State of Maryland was \$2,314. During this same year, per capita income in Appalachian Maryland ranged from only \$1,272 in Garrett County to \$1,935 in Washington County. In other words, per capita income in Garrett County was

only 55 percent of that found in the rest of the State.

Unemployment has decreased as a result of the Nation's renewed economic prosperity under the administrations of Presidents Kennedy and Johnson, but underemployment remains a major problem in the rural area.

The percentage of substandard housing ranges from 20 percent in Allegany County to 39 percent in Garrett County.

Appalachian Maryland does however share in the potential of the entire 11-State region despite its present handicaps.

Our State government has worked hard in cooperation with local and Federal authorities to improve highways going into the area. Other programs dealing with water resource development, new and better housing, new and expanded educational facilities and hospitals, park and recreational development, public utility expansion, and industrial development have been carried as far as existing finances will permit.

I am proud that it was the Governor of my own State who, in 1960, called the first conference of Appalachian Governors to consider what action had to be taken to solve the region's problems.

In Maryland, special attention is focused on our Appalachian counties through the newly created State office of economic opportunity. This office's director also serves as the Governor's representative to the President's Appalachian Regional Commission.

I know from personal experience that there is active leadership in all three counties—Allegany, Garrett, and Washington. They have wrestled with their problems for many years, only to be forced to curtail their plans because of insufficient sources of revenue.

The three counties, having recognized their many common problems, are working together with the State and Federal authorities. An Appalachian Maryland Community Action Committee has been organized under the leadership of my good and very able friend, the Honorable R. Samuel Dillion, Jr. This tricity group symbolizes the cooperative spirit that I find existing in Appalachia. Each county delegation consists of a State legislator, a county elected official, a representative from business and one from organized labor.

This kind of broad representation is essential if the economic development of Appalachia is to succeed. Government, business and labor must work together to do the job. One billion dollars spread over 167,000 square miles of hills, mountains and valleys will not do very much unless it is carefully spent and unless it results in stimulating the private sector of Appalachia's economy.

I strongly believe that the Appalachian Development Act will help greatly to inspire confidence in the future of the region. This in turn will help to generate hundreds of millions of dollars in private economic activity. Appalachia will not only become a greater producer—but also a greater consumer.

Specifically, what will S. 3 do to help develop Appalachia's potential?



Title II, section A of the bill, creates a number of new programs that the President's Appalachian Regional Commission recommended as necessary to meeting the special problems confronting the region.

Over 80 percent of all the funds authorized—\$840 million—will be spent of a 5-year road building program. Federal funds would be provided on a matching basis for a carefully planned network of development and access roads.

Seventeen million dollars is provided for land improvement and erosion control. Grants to any landowner under this section will be permitted up to a maximum of 80 percent of the cost of improving and developing 25 acres.

Five million dollars will be authorized to assist the development of private non-profit timber development organizations. Such groups will result in the better utilization of existing timber resources.

Twenty-one and a half million dollars will be earmarked for mining area restorations. Such activities may include sealing and filling in abandoned coal mines, and expanding and accelerating fish and wildlife restoration projects.

Five million dollars is authorized for water resource surveys. Such surveys are necessary if a practical plan for efficient water utilization is to be developed.

Title II, section B, supplements and modifies existing programs so that they are better able to meet the real needs of Appalachia.

Sixteen million dollars would be available for the construction of the vocational education facilities needed to train people so that they can obtain employment.

Sixteen million dollars would be authorized to construct sewage treatment works. Such facilities are essential to prevent the continued pollution of the region's streams. The pollution that now occurs almost always takes place above the water intake of most urban areas in the eastern half of our country.

The Housing Act of 1954 is amended to allow for comprehensive planning for the Appalachian region using 701 funds.

Ninety million dollars is authorized to supplement existing Federal grant-in-aid programs. This is a key feature. It would permit many impoverished communities to make necessary improvements that would otherwise be impossible. Many Appalachian communities have previously been denied Federal assistance because they could not raise the needed local contribution. The authorization of this supplemental section is most important.

This legislation is designed to further enhance the partnership of Federal, State, and local governments. It specifically encourages a cooperative effort. Furthermore, it clearly prevents a possible diminution in State financial participation.

I urge the prompt passage of this vitally important legislation so that the development of Appalachia can move forward. The promise of Federal assistance has given the people of the Appalachian Mountains reason for hope with the prospect of a bright future. There

is no doubt in my mind that as Appalachia prospers—so will the rest of the Nation.

I am proud to have had a part in the initial consideration of this proposal as a member of the Public Works Committee in the last Congress. I have spoken for its prompt enactment on numerous occasions. I shall cast my vote for it today, and work for its effective implementation in Maryland tomorrow. I urge all my colleagues, Appalachian and non-Appalachian, to do likewise.

Mr. President, I congratulate my colleague, the distinguished senior Senator from West Virginia [Mr. RANDOLPH] for the careful hearings that he has conducted and for the leadership role that he has personally undertaken in the development of this program toward the passage of the bill which we all anticipate today.

#### ACTION FOR REGIONAL DEVELOPMENT

Mr. NELSON. Mr. President, the Senate has had before it two proposed amendments, which I sponsored, one which would create an Upper Great Lakes Regional Development Authority and one which would simply authorize funding for research and planning needed in other depressed regions of the Nation.

I have cosponsored the upper Great Lakes regional development amendment because I believe this region of the country is not only much in need, but because its people are organized, its officials are aware of the region's problems, and because basic research and general planning for the development of this area has already been done. In short, the region is ready to go—and I believe we should move now to establish a development authority and get on with the work of changing, improving, and generally upgrading the region's economy.

But the upper Great Lakes region is not the only one which has lagged behind the Nation. There are many other regions which are not meeting the problems of a growing, changing America. As the President said in his state of the Union address: We should establish and "carry out a new program to develop regions of our country now suffering from distress and depression."

The second amendment before the Senate speaks to this general problem. It recognizes that there are many areas in the country which suffer from regional problems, but which are not ready to go in the sense that all of the preparation has been done for the establishment of a commission and for immediate action. What these areas need is the kind of work which resulted in the detailed, full-blown legislation now being considered for Appalachia. They need support, guidance, and help in the development of immediate action plans.

The second amendment would amend the Appalachia legislation simply to authorize immediate planning for no more than six other regions which generally meet the criteria established in the statement of purpose of the Appalachia bill approved by the Senate last year.

The amendment would not establish new commissions nor authorize major expenditures. It would only provide \$10 million for immediate planning which would help other qualified depressed regions to prepare carefully drafted plans and proposals, as was done in the preparation of the Appalachia bill.

No more than \$2.5 million could be spent on regional planning in any one area.

The planning would be authorized only if the basic research and public sentiment of the region were sufficiently solid so that a viable action plan for development could be produced in 18 months.

Most important, passage of the amendment would put the Congress on record for immediate regional development action.

In addition to the upper Great Lakes area, the standards in this bill might be met by the Ozarks; the northwestern mountain regions; parts of the New England area; the desert high plateau-Four Corners area of Utah, Colorado, New Mexico, and Arizona; the upper Great Plains area; and parts of the Deep South.

I am a cosponsor of the Appalachia legislation. I believe that now, at the time we approve action for one depressed area of the country, we should also begin to act for the other needy regions of the Nation. There is no reason to wait.

I recognize that the Public Works Committee has before it a bill authored by the chairman, Senator McNAMARA. This would authorize the President to go beyond my amendment. It would authorize him to establish not only a number of areas for full development work, but regional development commissions along the lines of the Appalachian Commission.

I believe this bill is a good one. It is, in fact, part of a much broader bill described by Senator McNAMARA in a recent speech proposing a new National Regional Development Council as part 2 in the war against poverty. Both the more limited bill, and the broader one, I believe, are constructive efforts to aid the depressed regions of this Nation. They deserve sympathetic review, and, although I have not yet had a chance to study either measure with care, in principle, I believe they should be supported.

I also recognize that the Bureau of the Budget, through a lower official—Phillip S. Hughes, Assistant Director for Legislative Reference—has made commitments to Senator MUSKIE regarding regional development planning funds through ARA programs. Again, this is all to the good, although I am not satisfied that the commitments are sufficiently specific, nor that they will put the Congress or the administration fully on record in support of the idea of new development authorities with adequate power to carry out planning, development, training, and public works programs designed to alleviate the distress within such regions as New England, the Upper Great Lakes, the Upper Great Plains, the Ozarks, the Four Corners, and others.

Nonetheless, the commitments offered by the Bureau of the Budget are welcome ones. The only question before us



is whether the Congress should also make some commitments—more specific ones—and I, for one, feel that it should.

There is no reason, so far as I can see, why Congress should wait to mark with its approval the idea of full development planning for other regions in the Nation. At the time we are voting approval in specific for one region of the country—Appalachia—I think we should also vote approval in principle for other regions. And we should authorize funds for the development of action plans for such regions. There is no reason to wait. Planning can begin immediately. Hopefully, within a year or 18 months, we will have before us solid, specific, carefully designed and practical proposals which will permit us to take a major step forward for other regions such as we are now taking in the case of Appalachia. To wait for further study of proposals which might only involve further study would be to further delay the start of a constructive regional development process which we can begin today.

I do not wish to take the Senate's time with a full description of the problems of all the Nation's regions. But let me sketch out, as examples, the problems of some of the regions.

In my own upper Great Lakes region, there are pockets of extreme poverty. Unemployment much higher than the national average persists. An unemployment rate three times the national average is not uncommon in this region in the winter months. A year ago the Upper Peninsula of Michigan had an unemployment rate of 14.6 percent. The last detailed census figures taken in 1960 showed a regional unemployment rate of 8.6 percent compared to 7.1 percent for Appalachia, a rate 20 percent above that of Appalachia. Families in the poverty class—under \$3,000 in annual income—are 25.9 percent of the population as compared with the national share of 21.4 percent.

Because of the fall in job opportunities, the younger people are leaving the north woods. The aged remain. In my own State of Wisconsin, current estimates show that over 80 percent of the area included in the upper Great Lakes region lost population in the last 5 years. This area now has only about 7 percent of the population of Wisconsin. Yet its share of the number of recipients of State public assistance for the aged is 17 percent.

Figures for last year show that the overall dependency rate for this area is 5 percent higher than its share of the State population. These figures do not show, however, how hard it is for the people of the north woods to turn to public welfare.

In my longer presentation last Friday on the need for an Upper Great Lakes Development Authority, I attempted to show how regional development for this region could be implemented—and how, especially, the region's magnificent recreational resources might be wisely and economically utilized. I would like to call the Senate's attention to this longer presentation, for I believe it may speak to the problems not only of my area, but of other depressed areas with similar problems and similar prospects.

Indeed, another such area may well be that of the Ozarks. I would hope that development planning for this region could be started immediately if my amendment were to pass. Senator FULBRIGHT has recently described the problem of the Ozarks in a letter to Senator McNAMARA supporting my amendment, as follows:

In justification of a special Appalachian program the Appalachian Regional Commission cited the fact that as of 1960 30.7 percent Appalachian families had an annual income of less than \$3,000 against 20.5 percent for the balance of the United States. By the same 1960 census the percentage of families in northern Arkansas with incomes of less than \$3,000 was substantially greater. The following counties are representative:

	Percent
Stone County.....	78.0
Newton County.....	76.7
Fulton County.....	70.2
Searcy County.....	69.8
Madison County.....	68.8
Sharp County.....	67.7

As you will note from a map of the region these counties constitute the core of northern Arkansas.

The President's Commission also noted the close association between education and economic development. As of 1960 11.6 percent of the persons over 25 years of age in Appalachia had less than a fifth-grade education against 8 percent for the balance of the United States. The overall figure for Arkansas was 15.4 percent and for the Ozark mountain counties to which I have referred as follows:

	Percent
Stone County.....	16.4
Newton County.....	15.5
Fulton County.....	12.4
Searcy County.....	12.3
Madison County.....	14.5
Sharp County.....	14.3

Recently, addressing the Senate, like Senator FULBRIGHT, Senator MCGOVERN described problems in his own Upper Great Plains area as follows:

Economic growth of the region has lagged behind that of the Nation as a whole because of drought, unwise requirement of cultivation of some lands in the early homestead laws, and necessary readjustments, lack of development of economic means for utilizing lignite and similar large but lower grade mineral resources, major dependency on farm income which is depressed, and need for development projects.

Senator MCGOVERN, too, in collaboration with Senators METCALF, BURDICK, and MCGEE, has urged a regional solution to his area's problems.

And so, too, has Senator MONTOYA. He must contend with the regional problems of the desert high plateau area where the four corners of Utah, Colorado, New Mexico, and Arizona come together. His region has not participated in the economic growth which is enjoyed by other sections of the Southwest and of the Nation. The people have been left behind as the people of Appalachia have been left behind—trapped in a mire of economic and social problems.

The land of the four corners region is a dry and rugged land with often breathtaking scenery. It is the land of the painted deserts and deep canyons. It is also a land of unemployment on Indian reservations and unemployment in the

towns. When farmed, the lands provides a very meager living.

A good portion of the land in this region is in Apache, Navajo, and other Indian reservations. Though much has been done by the Federal Government, and much has been done by the Indians themselves, the economic problems of our Indian Americans in this region is still staggering. In Apache County, in the northwest corner of Arizona, 70 percent of the population is Indian. It is shocking to note that over 52 percent of the families in this county had incomes in 1959 which were under the poverty level of \$3,000. This compares to 21 percent for the entire State, in itself a percentage that is disturbingly high.

Figures on education are equally appalling. Fifty percent of the adult population in Apache County had completed less than 5 years of school in 1960, compared to only 10 percent for the State as a whole.

In New Mexico, 35,000 Indians, over 60 percent of the State's total, live in San Juan and McKinley Counties adjacent to Arizona's Apache County. In McKinley County, which is over half Indian, 37 percent of all families had incomes under \$3,000. Over a third of the total adult population has failed to go beyond the fifth grade of school.

In San Juan County, which has fewer Indians than McKinley, the county was near the State's income and education level. Among its Indian population, however, less than half of the adults had gone beyond fifth grade and the Indian family income was \$1,572.

This region might well be considered for immediate action planning.

These are not the only ones which deserve attention. In a recent speech, Senator MUSKIE described the problems of New England. A great expert on Federal-State relations, Senator MUSKIE suggested the vital importance of regional development and interstate cooperation. He emphasized, for his own region, that:

Citizens of our region have every right to expect—yes, to demand—that public powers and responsibilities be shared to insure that no problems are ignored; that each level of government is equipped to do its part of the job competently; that each problem is dealt with effectively; and that each jurisdiction has enough authority to meet its responsibilities but no more.

Senator MUSKIE has given me much help in connection with the amendment we are now considering, and I wish here and now to publicly thank him for his support, and to suggest that parts of the New England region deserve the attention of the Federal Action Plan Administrator my amendment seeks to establish.

With time, one could describe the detailed problems of many regions of the Nation. But the information is readily available for all to see. Suffice it to point out, as one further example, that another cosponsor of my amendment is Senator FRANK CHURCH. He has made available to me a report, prepared by the ARA, which details some of the problems of his State:

The Idaho Panhandle area has a diversified economy, but one which is seriously affected



by the problem of unemployment and underemployment due to the seasonal nature of its basic industries—lumbering, mining, tourism, and agriculture. The winter months represent the nadir of economic activity and the summer months, the peak.

The ARA study offers much hope for the region—if proper steps are taken to expand and develop recreational activities. But the panhandle is only part of one region—a region which involves the neighboring States of Washington and Montana. Again, I believe this northwestern mountainous area might well meet the criteria for action planning set out in my amendment.

Such are some of the problems of some of the regions of the Nation. I do not claim to be an expert on this question. I do know, however, that my own region and others lag substantially behind the rest of the Nation in economic growth; have an uneven past development which has not permitted self-sustaining growth; have demonstrated that local people and governments are prepared for immediate planning and development; have common problems which make a regional solution feasible.

And because there are regions which meet these criteria—which are the general ones established in the statement of purpose of the Appalachia bill—I believe we should begin to work for them now. My amendment will permit us to do so. And it would authorize a careful review of all relevant information to determine precisely which regions are appropriate and ready for regional treatment.

Perhaps the best way to look at the problem is to recognize that some regions have fallen far behind the Nation as a whole. Others are only now beginning to slip behind. For the first, action now will help pull the regions up. For the second, action now will stop the slide downward and, hopefully reverse it. For both, what is needed is an action plan—a plan which cannot hope to solve all problems, but which can offer hope to begin the solution of many.

Mr. President, I ask unanimous consent that a letter addressed to the senior Senator from Michigan [Mr. McNAMARA], under date of January 22, 1965, by the junior Senator from Arkansas [Mr. FULBRIGHT] be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 22, 1965.

HON. PAT McNAMARA,  
Chairman, Committee on Public Works, U.S.  
Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I know that the Public Works Committee has sought to conclude its consideration of the Appalachian redevelopment bill as soon as possible, and for that reason I have not asked to appear before the committee. I hope, however, that the comments in this letter will receive your careful consideration before the bill is reported to the Senate.

The report of the President's Appalachian Regional Commission from which the pending bill was developed is an excellent review of the economic circumstances of the Appalachian region. It is obvious that as an area Appalachia does lag behind the Nation in income, employment, and other indicators of prosperity. The relation between the economic conditions in this region and the national economy is also well documented.

The Public Works Committee put it very well in your report on the Appalachian bill last year in saying that "the well-being of the national economy as a whole is dependent on the continued progress of all segments and sectors of the economy."

Credit for the development of the Appalachian program must be given to the Appalachian Governors' conference and to the President's Commission. Only a sustained effort to publicize and analyze the ills of the Appalachian economy could have produced the strong support which exists for the legislation now before your committee. It is unfortunate, however, that the bill now under consideration has been generated as a special relief program for Appalachia rather than in the context of a more comprehensive plan for the development of other sections of the country having similar economic characteristics.

I am particularly concerned with the Ozarks region which includes a substantial portion of Arkansas. We have made substantial progress in recent years in the attraction of new industry and the expansion of old enterprises in my State. Our rate of increase in per capita income is one of the highest in the Nation, and many of our towns and cities are experiencing considerable and healthy growth. But much of the Ozark region continues to suffer from the same deficiencies that plague Appalachia—a depreciating tax base, inadequate schools, insufficient public facilities, and a limited road network. Due to the topography of the area, which bears great similarity to the Appalachian chain, subsistence agriculture is no longer feasible in many sections of the Ozarks. Limited water and sewer systems and routes of access have been a deterrent to the development of new industries.

The Federal Government has made a substantial contribution to the region through the construction of a number of Federal reservoirs in north Arkansas and southern Missouri through area development, accelerated public works and other grant-in-aid programs. Through these efforts and the hard work and initiative of local people we are moving ahead. To some extent, however, a maximum return has not been gained on these investments because they have not gone far enough. For example, the potential for tourism in the area which exists because of the great natural beauty of the Ozarks, its impoundments and streams and the very fine people who inhabit the area has not been fully realized because of insufficient highways leading to and through the Ozarks.

It is not my purpose to give the committee a complete résumé of the Ozark region. Its characteristics are familiar to you. I would only point out that its economic problems are in many ways similar to those to be dealt with in the Appalachian regional development bill and that similar attention should be directed to the Ozarks. A gross injustice would be done if a billion-dollar Federal program is voted for Appalachia without equal time for the Ozarks and other areas of the country which do not have a fair share of the Nation's prosperity.

In justification of a special Appalachian program the Appalachian Regional Commission cited the fact that as of 1960 30.7 percent Appalachian families had an annual income of less than \$3,000 against 20.5 percent for the balance of the United States. By the same 1960 census the percentage of families in northern Arkansas with incomes of less than \$3,000 was substantially greater. The following counties are representative:

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As you will note from a map of the region these counties constitute the core of northern Arkansas.

The President's Commission also noted the close association between education and economic development. As of 1960 11.6 percent of the persons over 25 years of age in Appalachia had less than a fifth grade education against 8 percent for the balance of the United States. The overall figure for Arkansas was 15.4 percent and for the Ozark mountain counties to which I have referred as follows:

	Percent
Stone County.....	16.4
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It is not my purpose to propose to you immediately an Ozark regional development program. Such an undertaking will require considerable planning and close cooperation between Federal, State, and local officials. It has been determined that the prime need in the Appalachian region is highways, and the bulk of the funds authorized by the legislation which you are considering would be devoted to that purpose. It may be that this is also the principal need in the Ozarks. We will only know when a thorough survey has been completed.

I believe it is incumbent upon the Congress, however, to recognize the needs of other areas while attending to those of the Appalachian region and that this can best be accomplished by the addition of a new title to the Appalachian regional development bill to authorize the planning of additional regional programs, and particularly an Ozarks program. Such an amendment has been introduced by Senator NELSON. I do not know that it is perfect in every detail, but I believe it offers the basis for discussion and I would be happy to work with you and your committee in devising an addition to the bill which will provide for the proper and orderly planning of further regional development programs.

With kind regards, I am,  
Sincerely yours,

J. W. FULBRIGHT.

Mr. NELSON. There are statistics for the upper Great Lakes region, the Ozarks, and other regions which show that there is a need for regional planning money. But granted that these three or more other regions in the country did qualify within reasonable standards for planning money and assistance, various Senators have had assurances, including a letter from the Bureau of the Budget and from the leadership. I would like to ask the majority leader if there are at present plans for the provision of regional planning money for other regions in the country with the support of the administration, and whether and how soon such plans would be considered in the Senate.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. NELSON. I yield.

Mr. MANSFIELD. In response to the question raised by the distinguished Senator from Wisconsin and in line with the remarks made by the distinguished junior Senator from Massachusetts [Mr. KENNEDY] relative to the letters received by either the Senator in charge of the bill, the distinguished Senator from West Virginia [Mr. RANDOLPH], and/or the distinguished chairman of the committee, the Senator from Michigan [Mr.



McNAMARA], after meeting with those two Senators, of the Public Works Committee, and also the Senator from Wisconsin, on Friday afternoon last I had a visit with the President of the United States in which I raised these questions.

The President informed me that the administration intends, as a part of its proposals to extend and improve the area redevelopment program, to emphasize economic planning on a regional basis. Among the proposals being considered is increased cooperation with State and local governments in planning for economic redevelopment along regional lines.

In our view—this is speaking for the President—the Appalachia bill is not the best legislative vehicle for authorizing regional planning in areas other than Appalachia. Aside from Appalachia, appropriate regional groups vary widely from area to area in terms of population, economic resources, and economic problems—as the Senator from Wisconsin brought out. Moreover, unlike Appalachia, regional boundaries appropriate for economic redevelopment planning may not be the same as those appropriate for water resource planning, which in turn may not be coterminous with boundaries suitable for regional highway planning.

In view of these considerations, it is clear that legislative authorization for regional planning can best be developed in the context of a general program of area redevelopment. As indicated earlier, the administration intends to make such proposals a part of general area redevelopment legislation. The details of this proposal are now being worked out, and I am confident it will provide the most desirable framework in which to consider questions of regional development.

Mr. NELSON. Has the majority leader any idea of how soon such legislation may be before us for consideration?

Mr. MANSFIELD. I would say that they are working on the legislation at the moment, and have been for the past several days at least, to the best of my knowledge. I would anticipate that it would be before us before too many weeks have passed.

Mr. NELSON. Am I to understand from that statement that if another region, or several regions, in the country should qualify by something roughly approaching the Appalachia standards—that is, slow economic growth and high unemployment—planning money will be available for those regions, and if a reasonable plan is proposed it will receive the support of the administration, as it has supported the Appalachia proposal?

Mr. MANSFIELD. That is my understanding. That is the reason the distinguished chairman of the Public Works Committee, the Senator from Michigan [Mr. McNAMARA] introduced the bill; and I believe intends to introduce another bill shortly.

Mr. NELSON. I have nothing further.

Several Senators addressed the Chair.

Mr. NELSON. I yield the floor.

Mr. MONDALE. Mr. President, Minnesota, Wisconsin, and Michigan have been confronted with a similar problem arising from diminished economic activ-

ity and growth that have faced us in these States.

We are proud of the progress made in Minnesota in our mining areas as a result of cooperation between Federal, State, and local governments, between both political parties, businesses, unions, and the cooperative movement and involving contributions by private citizens, at great personal sacrifice and with a selflessness that has marked one of the finest pages of the history of our great State.

We have been much aided by our great Governor, Karl Rolvaag, who has been helpful in a host of areas, by the now present Vice President of the United States, by Senator EUGENE McCARTHY and by Representative BLATNIK, the best Congressman a distressed area has ever had. They have worked together to see that every possible help has been obtained for this area. Industry, the unions, and cooperative movements have worked together to establish a \$1 million study to promote the economy of this area. Such men as Mr. Jeno Paulucci, of Duluth, have contributed both time and money to accomplish things which might have considered impossible. And Mr. Bob Nickoloff, of Hibbing, has done more through his creativity and energy than I have time to describe.

We have received the help of Mr. Vladimir Shipka, the gifted State administrator of the Area Redevelopment Administration, who has shown us the best and most effective way to diversify our economy.

We have banded together to adopt a State constitutional amendment relating to taconite, to assure that Minnesota is a desirable State in which to make a huge investment of money in taconite. For this and other reasons, the taconite industry is beginning to move in a most encouraging way.

Our port of Duluth is beginning to boom, which means an increase of business not only for Duluth, but for the entire Midwest.

But despite these facts and despite the fact that northeastern Minnesota has had the best possible educational program and a highly skilled labor force, and despite other activities too numerous to

describe here today, we still have economic problems and substantial unemployment.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement on the progress made under the Area Redevelopment Act, as well as a speech made by Mr. Shipka, State Area Redevelopment Act administrator on January 30; and also an address I made to the Hibbing Chamber of Commerce on May 26, 1964, as attorney general of the State of Minnesota, which describes the many efforts made by public and private industry, labor and the cooperative movements, which have contributed to the goal of economic progress and health in northeastern Minnesota.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROGRESS REPORT OF AREA REDEVELOPMENT  
ADMINISTRATION

(The following is a progress report of the Area Redevelopment Administration activities in the State of Minnesota as of December 31, 1964.)

There have been 22 ARA projects approved to date totaling \$4,484,571.88. In these projects the Federal ARA has provided \$2,913,371, the State ARA \$869,114.88, the local ARA agencies \$464,345.00, and the applicants have provided \$237,741.00. When these ARA projects have been completed and in operation for a year they will provide approximately 670 permanent and full-time jobs.

As of this date there are on file 17 applications in which the Federal ARA is being requested to provide \$4,023,748.25, the State ARA \$1,330,707.14, the local ARA agencies \$920,686.27, and the applicants will provide \$373,679.82 totaling \$6,648,821.48. If these applications for ARA loans are approved by the State and Federal ARA, they will provide approximately 690 new and permanent job opportunities after a year's operation.

As of August 31, 1964, the Federal ARA has provided \$1,408,399.00 for technical assistance for 21 feasibility studies. At present there are five requests for technical assistance funds involving \$161,918.00.

Since the inception of the ARA program in Minnesota to the present date there has been a total of 55 ARA projects submitted for requests for funds. Of these submitted projects, 22 have been approved, 17 are on file and 16 have been denied. Denied projects total \$987,118.80.

I hope this information is helpful to you.

VLADIMIR SHIPKA,  
Administrator, Minnesota ARA.

ARA projects approved

Project	Total	Federal ARA	State ARA	Local funds	Applicant
Tobiason Bros.	85,000.00	55,250.00	17,000.00	8,500.00	4,250.00
H. C. Hill & Sons	455,000.00	292,500.00	90,000.00	45,000.00	27,500.00
Lutsen Ski Corp.	245,750.00	149,750.00	51,000.00	40,000.00	5,000.00
Mesabi Cores, Inc.	100,000.00	65,000.00	20,000.00	10,000.00	5,000.00
Deerwood Sportswear, Inc.	200,000.00	144,000.00	20,000.00	20,000.00	16,000.00
Kainz Bros. (1st loan)	144,050.00	93,600.00	20,000.00	15,000.00	15,450.00
Green Forest, Inc.	30,310.00	18,000.00	5,000.00	3,310.00	4,000.00
Sturgeon Lake Industries	70,000.00	45,000.00	14,000.00	7,000.00	3,500.00
Minnesota Wild Rice Harvesters Association	45,000.00	29,250.00	9,000.00	4,500.00	2,250.00
Echo Timber Products	80,000.00	52,000.00	16,000.00	8,000.00	4,000.00
Sun Plant Products, Inc.	126,474.00	82,000.00	25,000.00	12,800.00	6,674.00
Atseott Manufacturing Corp.	105,000.00	68,150.00	21,000.00	10,500.00	5,250.00
Giant's Ridge, Inc.	100,000.00	65,000.00	20,000.00	10,000.00	5,000.00
Kainz Bros. (2d loan)	10,000.00	6,500.00	2,000.00	1,000.00	500.00
McGrath Lumber	20,000.00	13,000.00	4,000.00	2,000.00	1,000.00
Hibbing Precision Industries	550,000.00	357,500.00	110,000.00	55,000.00	27,500.00
Carlton Machined Products, Inc.	533,663.88	346,450.00	108,263.88	53,300.00	25,650.00
Quadna Mountain Corp.	661,148.00	429,757.00	132,216.00	66,117.00	33,058.00
Universal Fiberglass Corp.	628,176.00	408,314.00	125,635.00	62,818.00	31,409.00
Taconite Electric Co.	135,000.00	87,750.00	27,000.00	13,500.00	6,750.00
Meritt Plastics, Inc.	100,000.00	65,000.00	20,000.00	10,000.00	5,000.00
Frank Mochet	60,000.00	39,000.00	12,000.00	6,000.00	3,000.00
Total	4,484,571.88	2,913,371.00	869,114.88	464,345.00	237,741.00

NOTE.—Unallocated balance ARA revolving fund Dec. 31, 1964, \$1,209,060.60.



## ARA project proposals

Project	Total	Federal ARA	State ARA	Local funds	Applicant
Arrowhead Briquette	287,000.00	182,000.00	60,000.00	30,000.00	15,000.00
American Power Control	245,000.00	159,250.00	49,000.00	24,500.00	12,250.00
International Tool & Engineering Corp.	46,313.11	30,104.17	9,262.82	4,631.41	2,314.71
Pal-O-Fab, Inc.	97,700.00	63,505.00	19,540.00	9,770.00	4,885.00
Northern National Peat Co.	154,414.78	91,000.00	28,000.00	16,000.00	19,414.78
Sun Plant Products, Inc.	457,000.00	297,050.00	91,400.00	45,700.00	22,850.00
Grasston Pelleting, Inc.	366,020.00	237,913.00	73,204.00	36,602.00	18,301.00
Sarvie Tool	138,500.00	90,025.00	27,700.00	13,850.00	6,925.00
Rigid Insulation Co.	536,700.00	345,705.00	109,140.00	54,570.00	27,285.00
Organic Fertilizer Corp.	543,000.00	325,800.00	108,600.00	54,300.00	27,300.00
Lawrence Beier	45,000.00	29,250.00	9,000.00	4,500.00	2,250.00
Burns Manufacturing	2,358,978.00	1,415,386.00	471,797.00	353,846.00	117,949.00
Sawtooth Mountain Recreation Area	697,477.00	348,744.00	139,114.00	174,746.00	34,873.00
Industrial rubber applicators	217,249.20	141,211.98	43,449.84	21,724.92	10,862.46
Penco Truckstop, Inc.	170,469.39	110,090.10	33,973.88	16,986.94	9,466.47
Hunter Como Recreation Area	202,000.00	100,814.00	40,325.60	50,407.00	10,453.40
Total	6,562,821.48	3,967,848.25	1,313,507.14	912,086.27	369,379.82

## MINNESOTA'S TASK FORCE FOR ECONOMIC RECOVERY

(Address to Hibbing Chamber of Commerce by Attorney General Walter F. Mondale, May 26, 1964)

I am happy to be able to discuss with you today some of the facts, problems, and opportunities involved in our common objective of a healthy, expanding, economy for northeastern Minnesota. Since the Iron Range economic downturn which began in the late 1950's, this chamber has distinguished itself as a forum for the discussion of reasonable, progressive ideas for solving our economic problems. I suspect that a compendium of the papers delivered to this body would provide one with the most complete treatment of the subject available in any one place. The activities of the Hibbing Chamber of Commerce, and of Helmer Olson, your active, energetic, and effective secretary, stand as a classic example of what a chamber should do.

I had originally hoped to touch on all the elements which affect the economic revival of this area, but find that such a discussion would exceed the time available to me, exhaust you, and is—in fact—beyond the total comprehension of any one person. When trying to study a problem as complex and interdependent as a functioning free enterprise economy, the best one can do is to try to break the problem into manageable, understandable segments of critical importance and try to deal with them as best you can.

As we all know, the root of our current economic problems is the iron mining industry, where total employment has dropped from a peak of 18,900 in 1957 to 11,200 in 1963, in the face of a steadily increasing population. The resulting human tragedy, skyrocketing welfare costs, rising unemployment insurance costs, the shock to small business all across the range, the out-migration of some of our brightest and most talented young people and older citizens, and the other heartrending results of this economic catastrophe are too well known to all of you to need recounting from me.

Some people argued that nothing could be done, that economic forces must be left to run their pitiless course, even if it meant reducing a prosperous, vital segment of Minnesota to a series of ghost towns. Fortunately, most of us would not surrender because of our firm belief that what men have done, men can change, and because of our limitless faith in the magnificent resources and people of this great area. Our people are as efficient a labor force as exists anywhere in the Nation, the sons and daughters of a people who for generations have believed in and supported the Nation's finest school system. In a time of increasing technological change, we knew and appreciated the value of a skilled, intelligent, people in achieving economic expansion.

We knew that taconite, developed in Minnesota, was revolutionizing the steel in-

dustry, and existed in bountiful quantity right here in this State.

We knew that northeastern Minnesota has outstanding recreational features, that the Duluth port, at the head of a 2,400-mile inland waterway, holds great promise for the future as a funnel for the commerce of an 11-State economy, and many other resources and opportunities are known to exist here in this world-famous area.

I predict on this, that those who have faith in the future of northeastern Minnesota will prove correct. I shall go further and predict that within a few short years the economy of this area will be more vibrant and more healthy than at any time in its long and glorious history. What some people saw as the death pangs of this region will soon be interpreted as growing pains.

The worst of the economic dislocations of northeastern Minnesota are over. While serious problems remain, this area is on the move, and the trend is decidedly upward.

Why do I make this prediction? Let us begin with taconite. Last Thursday evening in Virginia, Dr. Richard Klemme, a top economist for the Northern Natural Gas Co., predicted that taconite production in Minnesota will increase fourfold in the next 11 years.

According to the president of the Hanna Mining Co., W. A. Marting, as quoted the New York Times of November 24, 1963: "It would not be an overstatement to say that there is still a shortage of the most desirable kind of iron ore, that is, high-grade pellets."

On June 3, at Forbes, ground will be broken for the Ford-Oglebay-Norton plant, with an annual capacity of approximately 1½ million tons, and a projected employment of 500 year-round employees. On the State land exchange commission we are currently processing an application by the M. A. Hanna Co. for a proposed magnetic and semi-magnetic taconite plant in the Nashwauk-Keewatin area which they hope will go forward in the next few years. We are all aware that United States Steel will build a new taconite plant near Mountain Iron with at least 4½ million tons annual capacity and an employment of 1,200, if the taconite amendment is adopted. It is to be noted that United States Steel, in its announcement, pointed out that the plans for this facility are such as to allow rapid expansion, should the need occur, and I am sanguine that it will occur.

We are also aware of strong interest by Jones & Laughlin in a possible taconite plant near Biwabik, and we recently dedicated the opening by Erie Mining Co. of an attractive and potentially prosperous new ore body in the Dunka River area which will make Erie's operations more profitable and more economically feasible in the event increased output is demanded. So confident am I in the sustained prosperity of this great Nation, that I am certain such increased output can be, and will be, demanded.

I have reason to hope for expansion of both Erie and Reserve within the reasonably near future.

The well-paying jobs created by the taconite industry will be year-round jobs, many—if not most—of which will be located in or near existing population centers, near the heart of the iron range, giving rise to strong reason to believe that not only will dislocation of existing population, and hence existing businesses, be stopped, but that new service industries, notably in rod-and-ball and magnesium cover manufacture, will spring up as satellites of the new plants.

At this juncture, I would like to mention the importance of the taconite amendment to this picture of prosperity. \* \* \* The present amendment, represents to me a good faith compromise in the best tradition of democracy. It pledges only our generation—not the next—for a period of 25 years, not to raise occupation and royalty taxes in an amount greater than the increases imposed upon general business corporations in the State. The production tax is specifically excluded and may be increased to provide for increased local and general government costs, in the discretion of the legislature. Just as importantly, the United States Steel Corp. has pledged it will return this expression of good faith by the immediate construction of its plant—breaking the logjam on the expansion of taconite in Minnesota.

In supporting this amendment, I am joined by both our Senators, Congressman BLATNIK, Governor Rolvaag, Lieutenant Governor Keith, and by many other leaders, and by resolution of my political party in its last convention. It is of crucial importance to the people of the entire State that this amendment be adopted next November.

In addition to supporting the amendment, the Governor's task force, believe we have aided taconite development in a substantial manner by accelerating land exchanges and water permits, expediting State mineral leases, and by other equally important means.

Having described the critical importance of taconite to the future of this area, I would like just as forcibly to express my view that taconite alone does not, will not, and cannot solve our problems. If we mistakenly think so, we will not only be proven wrong by the facts, but will miss our opportunity to create the balanced, diversified type of economy so essential to the long-range prosperity of any area.

Much of our present problems stem from a sometimes blind reliance upon, and confidence in, a one-product economy—a type of economy which has demonstrably failed to produce true, lasting prosperity in any area of the world where it might exist. It is just as short-sighted, just as foolish, for northeastern Minnesota to rely on taconite to solve all its economic problems as it was—and is—for the citizens of Brazil to rely on coffee. As the saying goes, "there's an awful lot of coffee in Brazil," but it doesn't go on to show how violent fluctuations in the supply and demand for its one product has subjected Brazil to damaging inflations and deflations which have made continuous prosperity impossible.

The need for diversification was recently pointed out in an editorial of May 14, 1964, in the Minneapolis Star. In citing the opinion held by many that passage of the taconite amendment will solve the problems of northeastern Minnesota, the editorial states:

This is, we feel, an overly optimistic viewpoint of what the amendment will accomplish—a viewpoint that could lead to some disillusionment and dissatisfaction later. Let's not oversell the amendment.

Locally in northeastern Minnesota, the taconite industry will create thousands of jobs that will help make up for those lost through the decline of natural ores. But this doesn't mean that every miner thrown



out of work when the natural ore mines shut down will have the skills needed for work in a taconite plant.

Northeastern Minnesota needs taconite. But it also needs further development of recreation, manufacturing and wood products industries for a well-rounded economy.

Even if taconite production reaches 50 million tons by 1975, and assuming that 300 new jobs are created for each million tons produced, this will still provide only about 15,000 iron mining jobs—less than in the peak year of 1957. Thus any predictions which are optimistic about the future of this area—as are my own—rest upon the premise that diversification and balancing of the economy of this area will occur.

In a small southern town, I am told, there is a large statue of a cotton boll weevil, erected by the citizens out of gratitude to this insignificant but dangerous insect. The statue was erected, the story goes, because the boll weevil, by destroying the cotton crop, impressed upon the citizens as nothing else could, the value of diversification. Farmers changed to other crops, industries were brought in, and the resulting prosperity was greater than could ever have been achieved by a reliance on cotton.

If we do as we must, we will look back upon these years of trial as the Iron Range's boll weevil. We will be able to look back and say that, hard as times were, they at least shocked us into the economic reappraisal we so desperately needed, in time for something to be done about it.

We realize the need for this diversification. At the same time we realize that if it is to be sound, if it is to be successful, it must be the product of free enterprise, and of the character and efforts of the local people. Government can provide only the favorable conditions and the necessary pump priming and initial assistance necessary to get the process moving.

And government has been active. Senators HUMPHREY and MCCARTHY have sponsored legislation to help local industry, as Congressman BLATNIK. Our Governor, Karl Rolvaag, sent the first special message on northeastern Minnesota in history to the 1963 session of the legislature, with many carefully thought out and specific proposals for assisting the people of this great area. By executive order he has created the task force for economic recovery, whose primary task has been to propose and execute programs for the economic improvement of this area. In addition, the Governor created a committee under the chairmanship of Dr. Charles Mayo to urge passage of the taconite amendment, and finally, he has backed and assisted the task force in all its efforts.

It has been the specific task of the task force to bring for the first time, a true, centralized coordination into the many, and sometimes confusing, government programs of assisting so-called distressed areas.

As our work started, we were impressed by what has been said, and sometimes done, both in and out of government, to solve the economic problems of this area. But we also found that, although the Iron Range is probably the most studied, most discussed piece of real estate in the Nation, we still lacked much basic information which was vitally necessary to any thoughtful program of diversification and revivification. We found that while many communities had programs for economic development underway, there was no overall regional program to harness the forces of free enterprise and coordinate information about the richness of the whole area. In a word, we knew entirely too little about too much, and we soon decided we had to take a regional, overall view if we were to do a good job.

To this end, we sent Bob Nickoloff, of Hibbing, to three areas of the United States where it appeared a good job had been done

in regenerating formerly distressed areas—one in New England, one in Virginia, and one in upper Mississippi. We found that these areas had organized regional development corporations, hired top experts in economic development, and successfully promoted their areas. As an example, the upper Mississippi Development Council had developed industries hiring some 40,000 new employees in the 15 years of its existence.

It was accordingly determined that such a regional development corporation was needed here to achieve two specific aims:

1. to undertake a specific, detailed inventory of the economic resources of the whole region, and

2. to approach economic development from a logical, areawide approach, where economic, rather than political, boundaries would be put under primary consideration. Such an undertaking, as we all know, costs money.

Last Friday, May 22, it was announced in Hibbing that the NEMDA corporation had been formally organized and funded by at least \$1 million of voluntary contributions, to be spent over the next 5 years.

I speak on this point at some length because I fear some may miss the significance of this organization. This is a most impressive example of genuine labor-management cooperation, of submerging of partisan and political differences, in the interests of the common good. Importantly also, it is not another governmental study, but a private group, stimulated by the action of government but not controlled by it whose members will not be mere passive recipients of information, but members of the community who are powerful enough to put such information to immediate, constructive, practical use.

The corporation is now seeking top-flight economic development talent to head up a similarly top-flight program for this entire region. Its purpose will be to amass the specific facts business must know to locate in the community, and to promote the six counties which make up the northeastern Minnesota economic unit. This group hopefully will provide us what we have always lacked—a sophisticated, organized, and adequately financed promotional agent for the entire area.

In the governmental half of the task force's coordinated program, we have been achieving significant successes in diversifying and expanding the northeastern Minnesota economy. A great deal of credit for these achievements must go to Congressman BLATNIK, whose wholehearted cooperation and effort has been instrumental in the growth of the ARA program.

Minnesota is one of the two States in the Union to have a State ARA agency to assist the Federal authorities. I am happy and proud of having been a part of the effort which brought this about in the 1961 session. I am also happy that Mr. Vladimir Shipka, our State coordinator, has proved to be such a competent and dedicated executive.

The Federal ARA, in cooperation with the State, will lend up to 85 percent of the cost of land, plant, and equipment for new or expanded plants in so-called distressed areas. The Federal money is loaned at slightly over 4 percent, the State money, up to 20 percent of the cost of the projects, costs 3 percent.

From July 1961 to April 1964, some 14 projects have received assistance totaling an investment of \$2.9 million. These projects, when in full swing, will employ approximately 444 people. There are currently under consideration another 12 applications which appear to be sound and will, if built, provide another 500 jobs. A prominent financial journal has estimated that for every 100 jobs created in basic manufacturing, another 65 are created in service-

related industries, ranging all the way from banks through grocery stores.

Also, the ARA industries are diversified. The Hibbing Precision Industries Co. is one example, and there are also six wood products companies, three machine tool manufacturers, two agricultural products firms, two ski complexes, and a fiberglass manufacturer who have received ARA assistance.

The value of diversification is indicated by the kind of economic activity it generates right within the area of the diversified industries. For example, the Iron Range Resources and Rehabilitation Commission recently helped purchase equipment for the Minnesota Prosthetics & Orthopedics Co. plant in Virginia. This plant will use cured aspen which, fortunately, is produced by the Kainz Brothers ARA timber plant in Ely. Once in production, the prosthetics plant may require precision equipment which could be ordered from Hibbing Precision, and so on.

In addition to its loan programs, ARA also provides technical studies. Fourteen have so far been approved in Minnesota, involving an investment of \$1 million. These studies involve mining, production, and marketing of remaining natural ores, briquetting, transportation rates, the tourist industry, and the timber industry.

For instance, the present cost of transportation is of fundamental importance to northeastern Minnesota. Many firms in this area now producing primarily for local consumption could compete effectively on national markets if freight rates were lower. There will shortly be released a study of our transportation system by a recognized specialist which will show the way to reducing these costs. This study will hopefully be followed by ARA-financed action program to assist local industries in implementing the report in their own businesses. We must look upon transportation as a resource and an important cost factor deserving of study and consideration as an independent factor in the economic equation. This report will be the first step in this long-overdue effort.

We have also been extremely interested, in the Task Force, in the port of Duluth, a natural advantage which is generally overlooked but is of immense long-range importance to this entire area. The port started out slowly in 1959, but it is now in the black and beginning to boom. New records are being established daily. Last season alone 25 new commodities moved through the port for the first time.

A tank farm for fats and oils was doubled in capacity last year and it is already booked for the season. Last year the port produced approximately \$13 million in wages and services for Duluth and the area. As tempo picks up, the frequency and reliability of shipping service naturally follows hand in hand. Within a few years, I predict, the port will be seen to be one of the key assets, not just of Duluth, but again of the whole economic region. We have helped on the task force in several concrete ways—obtaining funds for promotion, challenging discriminatory freight practices, challenging water diversion by Chicago and other lake communities which affect water levels and hence shipping capacities, intervening with the U.S. Department of Agriculture and other officers to obtain increased use of the port for Government shipping and storage.

We have spoken of shipping and transportation as important cost factors. Another such important factor is fuel, which brings up another activity of the task force. Northern Natural Gas Co. has applied to the Federal Power Commission for authority to build a gas pipeline through the heart of the Iron Range, from Grand Rapids on the west to Hoyt Lake on the east. I will intervene soon before the Federal Power Commission to expedite this application on behalf of the State



of Minnesota, and if construction can begin in the fall of 1965, as we hope, it will involve an investment alone of \$10 million, not considering the tremendous fuel advantages the pipeline will bring to this area. For not only will natural gas in itself by a cheaper source of fuel, it will bring in a hitherto not present element of competition which should help reduce costs of other fuels both to industry and to the consumer.

I see my time is running short. I wish I could discuss some of the other exciting developments we hope to achieve by a new spirit of genuine and constructive partnership between business and government, and between management and labor. For example, our work with defense and Government contracts generally, to stimulate contracts such as those which employ 800 people at Duluth and 50 at Hibbing in plants of the Duluth Avionics Co.

Last December, for instance, the task force sponsored the Minnesota Industrial Procurement Conference in Duluth, which was well attended and opened up many new channels of Government business for northeastern Minnesota businessmen. You know, it is mighty confusing to do business with an organization as big and as complex as our Federal Government. Conferences such as this are invaluable in achieving the sort of man-to-man rapport you need to do business with anyone, and as a direct means of disseminating concrete, how-to-do-it information to businessmen who have not previously done Government business.

I had also hoped to discuss our work with respect to the tourist industry and the timber industry, where we are attempting to stimulate training programs for tourist trade employees and were successful in obtaining the preliminary approval of \$235,000 appropriations for a forest products marketing laboratory at UMD.

We also do not have time to discuss the accelerated public works program, which has brought \$22.7 million in urgently needed public improvements into northeastern Minnesota, and produced 22,584 man-hours of work in the process. Nor is there time to discuss the progress which is being made in airport construction, conservation, the natural resources program Governor Rolvaag first advocated before this chamber in 1962, nor the acceleration we have been able to achieve in acquiring right-of-way for the area's Interstate Highway System, nor the progress of manpower retraining, or the other important programs we have initiated, worked with, or coordinated in focusing all possible attention on northeastern Minnesota.

Any program is people, both in and out of government. We all know that. On the private side we have such splendid examples of successful contributions to prosperity as those of this chamber, and of the Hibbing Development Corp., which is so justly famous. We have such individuals as Jenö Paulucci, who has given so much of his heart and his pocketbook to the struggle for an improved economy for this area. It would require another full speech to recount the many contributions he has made to this area. I single Jenö out because I think he typifies the spirit of dedication of hundreds of men of this area, to whom a problem is merely a challenge, and failure is just a word.

And on the Government side we have just the same kind of dedicated people, all committed to finding practical, concrete ways to assist the people of this area in achieving their destiny of prosperity and happiness.

Talking about people, I note that Governor Rolvaag asked the task force to recommend to him proposals for State legislation to aid in our total effort. I am pleased to announce that your own representative Jack Fena has agreed to assume the heavy burden of consulting with the people throughout this entire area to develop preliminary proposals.

I don't wish to overwork him, but if any of you have ideas along this line, I strongly urge that you communicate them to Jack.

In closing, I would like to leave with you a summary of our attitudes in Government and what we hope to achieve in northeastern Minnesota. Our fundamental belief is that the public good is best served when all elements of the community are permitted and encouraged to bring their efforts to bear on the solution of common problems. This means, on the Government side, a coordination of programs and a deliberate and continuous effort to make the road to prosperity both clear and easy, and a conscious effort to remove roadblocks to progress, while at the same time keeping the public interest uppermost.

It means the creation of a genuine spirit of partnership, a genuine devotion to programs which, as ARA best exemplifies, truly involve a cooperation, a partnership between business and government with each doing what it knows best how to do.

On the private side, we hope to see increased realization that northeastern Minnesota is not a coalition of separate and possibly hostile regional economies, but an economic unit, a definite region, with problems which cannot be solved by fragmented, uncoordinated local efforts. We hope also to see increased realization that diversification is the only long-range hope for this area, and we hope that we will never again be lulled into the false security of a one-product economy, however prosperous in the short run.

The most exciting thing which distinguished a free people from a slave, a buoyant economy from a totalitarian, is the ability of free men to work together toward the solution of common problems. The present effort in northeastern Minnesota should show, and I firmly believe does show, the type of enlightened cooperation which realizes with Ben Franklin that we must all hang together or we'll all hang separately, and which, if continued, will result in a prosperity hitherto undreamed of both in northeastern Minnesota and in the State as a whole.

Thank all of you—ask for help. We are on the move—let's keep going.

#### AREA REDEVELOPMENT IN THE STATE OF MINNESOTA

(By Vladimir Shipka, State ARA administrator, Department of Business Development, St. Paul, Minn.)

The problem of dislocation and displacement of people as a result of changing attitudes and economies is as old as history. Even during times of prosperity such as we have in the Nation today there are always geographical areas whose economies lag behind and where conditions of excessive unemployment and low income persist. These areas represent an intolerable condition of human suffering and eroded self-respect as well as a national waste of potential wealth creation. The acute lack of jobs in these areas is not the fault of the people who live in these areas. Northern Minnesota is one of these areas and is basically no different from the 50 or so other labor surplus areas of the Nation which suffer this continued and persistent unemployment while other areas of the Nation have a relatively continued high rate of prosperity.

All of these areas throughout the Nation with high unemployment are areas in which they are basically dependent upon one industry and the employment has declined and may continue to decline because of the following reasons:

1. The natural resource has been depleted or there has been a technological change in the mining of iron ore, timber, coal, copper, and other natural resource extracting industries in the Nation.

2. Automation of the industry, as in railroading, mining, forestry, and agriculture.

3. Changing consumer buying habits such as in the metal, communications, textile, and food processing industries.

All geographical areas that are subject to these factors will continue to face these problems and possibly at a more dramatic and sudden accelerated rate of change in their economy. All we have to do is look about us and see what tremendous changes are occurring in consumer buying habits, changing production techniques, etc., which dislocate and displace workers in these one industry areas of the Nation. Northern Minnesota, even though it may at the moment have a sudden spurt in its economy because of technological changes that are going on in its basic industry of mining, may again find its economy sagging because of the uncontrolled changes that I have mentioned in that industry.

Therefore, northern Minnesota must never again completely have its economy based exclusively on the extracting and exploiting of its natural resources such as mining, forestry, and agriculture where the basic raw material is exported from that area and manufactured or processed elsewhere. With continued exporting of its natural resources the State must—

1. Establish industries within that area to process or manufacture as much of that natural resource as possible;

2. Develop satellite industries providing the basic industries within the area with services and/or materials; and

3. Development of industries that utilize the talents of the people within the area in the new emerging science oriented industries.

We in Minnesota are fortunate that the 1961 legislature recognized the need of diversification of industry and of creating new job opportunities in the labor surplus areas of northern Minnesota by passing legislation establishing an Area Redevelopment Administration to take advantage of the Federal ARA program. As a result of this legislation, Minnesota is considered more successful than either of our neighboring States or other States throughout the Nation in establishing new industries within the northern part of the State. The ARA law has given Minnesota firms and communities advantages that other States do not provide. These advantages are:

1. An ARA agency within the Department of Business Development which deals directly with labor surplus areas and provides for coordination of efforts between Federal and local ARA agencies in seeking firms to take advantage of ARA loan funds.

2. The appropriation establishing an ARA revolving fund of \$2,250,000 to participate with Federal and local ARA loans.

In no other State with the exception of Pennsylvania, does the State contribute loan funds to an ARA project. This has greatly helped local communities in establishing new industries because in the remaining States where there are no State loan funds the local community must provide the entire local participation with Federal ARA funds.

The State has made modest gains toward the goal of diversification of industry in northern Minnesota. Our State executive council has approved 22 loans amounting to \$869,114.88 to industries either expanding or locating in northern Minnesota.

The Federal Government has provided \$2,913,371, with local and private funds amounting to \$702,086. These industries are broken down in the following categories: Two agricultural products industries, three industrial machined parts industries, eight forestry products industries, two satellite taconite service industries, four recreation type industries, two plastic and fiberglass industries, and one textile industry. These industries, when in full operation, will employ approximately 670 people, plus substantial indirect job opportunities.



In addition to these approved loans there are presently 17 loan applications requesting \$1,330,707.14 in State funds to establish industrial plants in that northern area. The Minnesota ARA revolving fund at present has approximately \$1,200,000 in unallocated funds to match local, private, and Federal funds for new industries in northern Minnesota.

The modest progress indicates that we are making gains toward diversification of industry in northern Minnesota. The goal to provide a healthy economy in northern Minnesota must be a continuing one and this administration will continue to work toward the achievement of this goal. The importance of better understanding the problems of the area and to determine the feasibility of industries which might be located in the area we have, by coordinating our efforts with the various Federal agencies, requested and received technical assistance funds for 21 projects involving \$1,408,399 Federal and private funds for research studies in the following areas: 10 mineral feasibility studies, 2 forest products, 1 plastic and chemical industry study, 1 peat feasibility study, 1 transportation study, 1 commercial fishing industry study, 1 wild rice processing study, 1 paper mill, and 2 recreation feasibility studies.

One of the most important studies is the study of transportation in northern Minnesota. This study by Federal ARA technical assistance is conducting studies in many areas of transportation. An example of this is a joint study of package freight on the Great Lakes between the State ARA and W. B. Saunders & Co. This package freight study is for the purpose of determining whether or not a package freight industry could be again revitalized to aid the economy of northern Minnesota. This study will contact and interview firms throughout the Great Lakes area who presently ship their products by means other than Great Lakes package freight. Based on preliminary studies package freight can be shipped more cheaply via the Great Lakes than by other present means of transportation.

I have given you a list of some of the projects and some of the accomplishments under the Federal and State ARA program. We have made a small beginning and it is my opinion that because areas of chronic and persistent unemployment will be a continuing one we must recognize the fact that area redevelopment if properly administered can provide the tools to bring new economic activity to areas such as northern Minnesota. I might add that because of the dramatic changes that go on in our economy, places other than northern Minnesota who are presently enjoying a high level of prosperity may suddenly find themselves with high unemployment and may then be in need of such a program as area redevelopment.

ARA is a comparatively new program only 3 years old and it is important that such a new program as ARA be reviewed and strengthened where experience indicates that there are opportunities to improve it. The ARA program as I indicated is to generate new job opportunities in areas suffering from chronic unemployment and underemployment. It is a vital beachhead in the war against poverty and the essential underpinning of special regional programs.

As administrator of the State ARA program it has been our experience that there are some changes that should be made in both the Federal and State ARA laws. This is a New Frontier program and it has had some problems and has not worked as effectively as administrators such as myself believe that it can.

I would recommend certain administrative changes and amendments to the laws in the following ways:

#### SUGGESTED ADMINISTRATIVE CHANGES AND AMENDMENTS TO PUBLIC LAW 87-27

##### I. Administrative procedure

(A) Processing, approval or disapproval of the ARA project applications done at the ARA and SBA offices rather than ARA offices in Washington for loans which do not exceed a total of \$300,000.

##### Reasons

1. One of the greatest criticisms of the ARA program is the long delay in approving or disapproving of project proposal applications.

2. In many cases the regional office staff has firsthand knowledge and information as to the project including the applicants, the product, the market, etc., and therefore, a decision could be made on the application much more quickly.

3. The applicant is placed at a great disadvantage because of distance in providing the additional information that is requested by the loan processors of the application. As a result there is a great deal of time lost in transmitting to the Washington office the required additional information.

(B) Recreational project proposals: (1) Rescind the order that provides a lower percentage of participation by the Federal ARA on recreational project proposals and allow the Federal ARA to participate up to 65 percent of the cost on recreational projects that provide year-around recreational activity.

##### Reasons

1. Based on our experience in Minnesota the approved year-around recreational projects are a great stimulus to the economy and are generating many new indirect job opportunities and will prove to be some of our most successful projects.

(C) Greater emphasis and recognition to indirect employment in the processing of an ARA project.

1. ARA approved projects in Minnesota in many cases have provided more indirect job opportunities than direct opportunities.

##### II. Loans and participation

(A) Local 10-percent equity:

1. Local participating loans should not be placed in an equity position and repayable after the Federal and other financial institutions such as banks are repaid in full. Local 10-percent participation should be paid on a concurrent basis with other Federal and financial institutions.

2. Allow applicants to participate in the local 10 percent in an amount not to exceed 25 percent of the local 10-percent participation.

(a) Alternative: Allow applicant to participate up to 10 percent of the cost of the project and thereby reduce local participation to 5 percent of the total project where hardship is demonstrated by the local redevelopment agency.

##### Reasons

1. Allowing the local 10-percent participation to be paid off concurrently with the Federal and private institution funds will provide immediate and continued seed capital for future ARA projects within the local development area.

2(a) Because of the difficulty local ARA agencies have in raising the 10 percent local equity some applicants are desirous in placing additional funds in the project where local agencies are not able to raise the funds within the area.

##### III. Redevelopment areas

(A) Redefine local development areas from a definition based on political subdivisions to a regional economic development area.

##### Reasons

1. Local development areas defined on a political subdivision basis do not:

(a) Provide for sound planning because the boundaries in many cases have been established on an artificial basis rather than on an economic or trade area basis. (Counties are excellent examples. Many of their boundaries have been established by using lakes, rivers, old logging trails or section lines as boundary lines.)

(b) Provide for broader source of funds for local participation in projects.

(c) Provide for greater selection of talent to serve on regional economic development agency.

(d) Prevent the duplication of project proposals which presently come from the small local development agencies within the trade area.

(e) Prevent future competition between the small local ARA agencies who sponsor similar project proposals especially in the natural resources and recreational industries.

#### PROPOSED LEGISLATION FOR THE AREA REDEVELOPMENT ACT 1965 LEGISLATIVE SESSION

##### Proposal I

A legislative act amending the present ARA act to authorize the participation of Area Redevelopment Administration revolving funds with Small Business Administration loan funds as provided for in title 4 of the Economic Opportunities Act of 1964. These loans would be long term to small business such as the tourist industry in the area redevelopment counties of the State of Minnesota.

##### Reason

Both of these acts would have the effect of providing additional financing to the tourist and resort industry. It is a well-established fact that the present resorts in the State of Minnesota are badly in need of updating and expansions in order to meet the ever-increasing number of vacationers in the Nation. With greater leisure time the number of people seeking vacations will increase and with these additional methods of financing the resorters will have greater opportunities to obtain the necessary financing for the needed expansion and development of their facilities. Presently both private lending institutions and the Small Business Administration in many cases cannot provide loans to resorts because of the limited income the resorters have for the repayment of these loans.

Under these proposals longer term financing could be arranged so that the amortization period is longer and therefore the loans would be made more attractive to the tourist and resort industry.

##### Proposal II

An amendment to the State ARA Act granting authority to political subdivisions who have established local ARA agencies permissive legislation to reimburse local ARA agency members payment of certain expenses to members of that agency.

##### Reason

The purpose of this act is to provide certain expenses to members of the agency in the processing of applications and necessary meetings and travel incurred in carrying out the responsibilities as ARA agency members.

##### Proposal III

The following proposal also provides a method by which ARA agency members can be reimbursed.

An amendment to the State ARA Act granting authority to local agencies to charge the applicant for ARA funds a fee for the processing of ARA loans based on percentage of the loan or on a flat fee basis.

(NOTE (administrative change).—Allow State ARA revolving funds to be used for capital loans up to 10 percent of the cost of the proposed project with local development corporation and Small Business Administration 502 loan funds.)



## Reason

The purpose of this administrative change is to aid local development corporations in meeting their portion of the SBA 502 loan requirements. Under the existing 502 loan program local development corporations can receive up to 80 percent from the SBA for a proposed industry in their community. The requirements on the part of the local development corporation are that they must provide 20 percent of the cost of the project. Therefore by providing ARA revolving funds to local development corporations up to 10 percent of the project it would greatly aid the development of new industries desiring to take advantage of SBA 502 loan funds.

Mr. MONDALE. Mr. President, despite all this, however, I must report that in January of 1964, in Itasca County, in the western part of the Mesabi Iron Range, there was an unemployment rate of 23.8 percent; in St. Louis County in the heart of the Mesabi Range, it was 15.2 percent, and in Lake County the unemployment rate was 15.9 percent.

Mr. President, I ask unanimous consent to include at this point in the RECORD a tabulation of unemployment statistics for January 1959, 1963, and 1964.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Work force of unemployed and employed by counties, excluding Duluth, for January 1959, 1963, and 1964*

	January 1959	January 1963	January 1964
<b>Itasca County:</b>			
Total labor force.....	13,300	11,800	12,600
Total unemployed.....	2,900	3,300	3,000
Unemployment rate (percent).....	20.3	28.1	23.8
<b>St. Louis County (ex- cluding Duluth):</b>			
Total labor force.....	40,400	37,900	36,300
Total unemployed.....	5,100	7,800	5,500
Unemployment rate (percent).....	9.5	20.6	15.2
<b>Lake County:</b>			
Total labor force.....	5,935	4,982	4,261
Total unemployed.....	658	654	679
Unemployment rate (percent).....	11.1	13.1	15.9

Mr. MONDALE. Mr. President, I could cite many other figures to show that persistent unemployment is still with us.

Although the unemployment figures improved during the summer, it is still the case that the seasonal character of much of our work and the unemployment problems persist and remain.

Despite the vast potential of our greatly gifted people, our resources, water, taconite, timber, minerals, and other resources, we still have a great need to diversify, and a compelling need for a regional approach which will help us—somewhat in the fashion of Appalachia—to do a better job than we can do by ourselves. We will continue to make progress—and we will achieve our goals—but this type of aid would be most helpful.

We would like to have a Federal development road stretching from the Vermilion Range in northeastern Minnesota through the great Mesabi and down through the Cuyuna Range. We would like to have assistance in filling the ugly and now abandoned huge, open pit mines, some of which have lost any

conceivable economic usability. If they were filled we could use these areas for housing, businesses, industrial parks, or for any number of other purposes—and a serious eyesore would have been removed.

We would like to have technical help in improving the development of our timber industry in terms of both timber processing and marketing. We could use additional help in water resource planning and also in conservation planning. We could use additional help in vocational training, so that we can train our men to occupy the industrial positions which we have created and hopefully will create through ARA, SBA, and other programs, public and private.

I was pleased to hear that the administration will support programs for a regional approach to the upper Great Lakes. The original idea, I believe, for an Upper Great Lakes Development Agency came during a conference held with Mr. Jeno Paulucci and others in northeastern Minnesota. We proposed to the then Kennedy administration that there be created such a regional development organization.

The late, great President Kennedy, in a speech on September 25, 1963, to the Duluth Land and Peoples Conference, proposed and pledged the creation of such a development for the upper Great Lakes.

I am pleased to support and be a sponsor of the Appalachian regional development bill, but I believe it must be understood that many of its provisions which would help Appalachia would also be most helpful to us, even though the basic nature of the problem is different in many respects.

#### REJECT FEDERAL GRANTS FOR CATTLE IN APPALACHIA

Mr. HRUSKA. Mr. President, previously in this debate it has been argued that those of us from the Middle West should not object, because this proposal is tailored after the model of the Great Plains conservation program. That statement is partly true, Mr. President, but only partly. There are significant differences.

In the first place, all we have attempted to do in the Middle West is to stabilize our livestock economy and prevent further deterioration of the soil. We have not tried to use Government money to build up additional beef cattle productivity. In Appalachia, by contrast, the effort is to create new productive capacity, by bringing new land into use. It is certain that such lands would be used for livestock. There is no other use to which improved pasturelands can be put.

Moreover, it is contemplated by the sponsors and advocates of the bill that this use be made of it. Page 12 of the Senate report reads:

It [sec. 203] offers no special provisions for assisting livestock operations in Appalachia. The committee assumes that after the land is restored and revegetated, the operation of free markets factors, in conjunction with already established Federal programs, will supply this need.

More important, this bill definitely contemplates a Federal contribution of

80 percent. I realize it has been pointed out that the statute governing the Great Plains conservation program does not specify the percentage which would be paid by the Federal Government, and it has been argued that theoretically the Federal contribution in this case, also, might be as much as 80 percent or more. That is pure theory, however. The fact is that the Great Plains program for the most part proceeds on the basis of a Federal contribution of 50 percent, with the landowner paying a full one-half of the cost of the improvement. In a relatively few cases, the Federal contribution has been as high as 60 percent. In recent years, so far as I have been able to determine, the Federal Government in no case has approved a Federal contribution in excess of 60 percent.

In this Appalachia bill, however, the whole spirit of the various programs—not just the program of agriculture improvement, but the other programs as well—seems to be in terms of a Federal contribution of 70 or 80 percent in most cases. The highway grants contemplate a Federal contribution of as much as 70 percent. The health facilities under section 202 provide for 80 percent grants. Section 203, the agriculture assistance permits 80-percent grants, and so on.

Now to return to the program for pasture improvement as originally discussed in the hearings held last year. Both Secretary Freeman and Assistant Secretary of Commerce Franklin D. Roosevelt, Jr., spoke last year of bringing 9½ million acres into productive use in Appalachia through this program.

This year, speaking for the administration, Mr. John L. Sweeney, Chairman of the Federal Development Planning Committee for Appalachia, used the figure of 8.6 million acres amount of land requiring erosion control. Either way that is a tremendously large acreage to be added to the land available for beef production. Mr. Sweeney said further that the Government expected to help improve approximately 3.3 million acres during the life of this program or approximately 500,000 acres a year.

It has been argued that this program would not really result in additional production of cattle. On that point, let me read from the testimony of Mr. Sweeney:

Within the normal program of the Federal Government, primarily through the Farmers Home Administration's loan program, the farmers will have available some loans to increase their herds or put new feeder calf operations into these pastures. But this program contained in S. 3 is primarily patterned after the Great Plains conservation program which helped achieve, in that broad region of the country, the water resource and land treatment improvement that so desperately is needed with the Appalachia region.

Further on Mr. Sweeney said:

We hope also that the Farmers Home Administration loan program can be increased to provide for better land treatment, and also, where it seems feasible, for the farmer to better utilize that pasture by an increase in his livestock.

A little later he said:

This can be done by establishing an adequate vegetative covering on some of the land or by turning it into pastureland capable of supporting economical livestock



operations. Section 203 will provide to eligible farms, grants covering the cost of 80 percent of the improvement of up to 25 acres of land which either has no protective covering or which needs improvement in order to make it economically feasible for livestock production.

Mr. President, let me remind you that we are now, today, paying farmers in the Midwest and elsewhere to take land out of production through the conservation reserve program. How is it possible to argue that there is no inconsistency here? Why bring land to a state of productivity when we already have national policies based, in effect, on the assumption that there is a surplus of productive land? Certainly, that is the whole theory and justification of the conservation reserve or soil bank.

If we must do something for the farmers of Appalachia, perhaps it could be more sensible to pay those farmers not to improve their land and not to bring back into production, either with or without Federal assistance. Perhaps that suggestion sounds facetious, but it is more sensible than spending Government money to bring land into production in Appalachia while simultaneously we are spending other Government money to take land out of production elsewhere in the country.

But there is an even more undesirable and disheartening aspect to this program, Mr. President. In fact, it creates and compounds a most cruel hoax on those farmers who would want to avail themselves of the grant of 80 percent of the cost of improving 50 acres of land occupied by such owner, operator, or occupier.

It will raise false hopes that he will be able to make it by entering into the agreement with the Secretary of Agriculture and receiving proceeds of the grant it provides. He would be led to believe that by investing his 20 percent of the cost and "in conjunction with already established Federal programs" he would be able to establish a productive and profitable economic unit.

This just would not be so.

According to Secretary Freeman's testimony, such a result could not be achieved even with the pasture improvement assistance.

Twenty-five acres of pasture in Appalachia would support at most 6 to 8 animal units. Fifty acres would double this to 12 to 16 units. This simply is not enough to do the job. It is not enough to make a cow-calf operation economic. A much larger farm unit would be needed.

Let us consider that we are dealing with an area and a farmer which admittedly are among the most poverty stricken in Appalachia.

Yet, the farmer-owner would be expected to raise a 20-percent contribution to these programs. Where would he get the 20 percent? Very likely he would be helped out in one way or another by the same source which supplies the 80 percent. So the subsidy would be 100 percent—but that would be only for the pastureland which in due time will become capable of producing feeder calves.

But the farmer-owner would then need breeder stock. Granted that he would get the money to prepare the pasture where would he get the capital to get the breeder stock—this farmer-owner who is among the "most poverty stricken in Appalachia"?

The committee report seeks to supply the answer to this by saying:

The committee assumes that after the land is restored and revegetated, the operation of free market factors in conjunction with already established Federal programs will supply this need.

There is the path and the way.

A grant upon a grant to prepare the land. A further resort to other Federal programs "already established" to get breeding stock and to maintain the operation until it gets into full production.

And when it does get into full cycle, it will be found to be uneconomic and inadequate. This would necessitate a continuance of subsidy into the future and much beyond the scope provided by the bill.

A subsidy to the degree and in a duration it would be highly unfair to those who are not similarly favored and who are trying to make it on their own.

Up to now, Mr. President, I have been talking about the farmer-owner. Last year's bill was limited to landowners.

Not so this year. Something new has been added. The financial and other assistance can now be furnished to any landowner, operator, or occupier of such land. It would be available to the land occupied by such owner, operator, or occupier.

Mr. President, if such a unit is uneconomic to the landowner, it is inevitable that it would be even more uneconomic in the hands of an occupier who does not even own it. Unless, of course, the Federal Treasury will be requested to borrow even more money for a longer period of years to get the job done.

This obvious and inescapable necessity for long time and maybe even indefinite grants or subsidies to the 50-acre Appalachia units, most severely distinguishes it from the Great Plains program, in addition to the points already set out.

But the worst cut of all is that at its very best, and with all the Federal help he can get, the operator or occupier will not have a future to look to. At best, it will be but a submarginal income and a substandard of living.

Mr. President, last year when similar legislation relating to Appalachia was under consideration, the people of this country had adequate warning as to what it contained. The bill was reported in good time, it remained upon the Senate Calendar for a reasonable period, and its terms were matters of widespread public knowledge. Cattle-men and others who might be interested had an opportunity to inform themselves, and to waken public interest and understanding of the implications and consequences of the various provisions of the bill.

As a result, ranchers and cattlefeeders had an opportunity to make their

protests heard against the ill-advised proposal to stimulate increased beef production through Federal subsidies. Last year section 203 was stricken from the bill on the basis of those protests.

This year, for reasons that have not been made clear, this bill is being acted upon on a hurry-up basis. We are given to understand that there is some urgent need for the Senate to act upon it immediately, today, although it was not even reported until last Thursday. No doubt it will be argued that we need take no time with it this year, because we have already considered and passed the bill once before, that is, last year. But we did not pass section 203 before; in fact, we specifically rejected it on that previous occasion. It is argued that the new section 203 is totally different, but if so, it deserves full consideration and broad public attention, instead of this hurry-up treatment.

Although this bill is being considered so hurriedly, already I have received a protest from the National Livestock Feeders Association, which reads as follows:

JANUARY 28, 1965.

HON. ROMAN L. HRUSKA,  
U.S. Senate,  
Washington, D.C.:

The National Livestock Feeders Association is firmly opposed to section 203 of S. 3 which would allow subsidized development of agricultural and livestock production in new areas when supplies are already adequate and burdensome in some instances. The association objects to legislation which amounts to overriding the free working of economic forces which should determine the existence and development of livestock and agricultural production.

DON F. MAGDANZ,  
Executive Secretary-Treasurer, National  
Livestock Feeders Association.  
OMAHA, NEBR.

Evidently this great national organization feels strongly about the matter. If more time had been permitted for the terms of this bill to become publicly known, no doubt many, many protests from cattlemen and their organizations would have been received. At least, if the proposal is as harmless as its sponsors say it is, there would have been time to debate that argument publicly, and perhaps clear up the matter.

It is my suggestion that if this proposal is meritorious, it be deleted from this bill and introduced by its supporters as a separate bill, instead of being smuggled through as part of a larger measure dealing principally with highway construction for Appalachia. If it were reintroduced separately, it could be referred to the Senate Committee on Agriculture, for study by those familiar with farm problems.

It will be recalled that all during the long struggle of the past 2 years by the cattle industry to hold its head above water in spite of the distressing level of prices, the Secretary of Agriculture insisted, over and over again, that the great source of our troubles was our own U.S. overproduction. When some of us pointed to the rapid increase and multiplication of imports of beef, we were advised that the American cattle industry



should get its own house in order. We were told to cut back on our own production, and thus relieve the market of the great oversupply of beef.

Now we learn that a cutback in cattle numbers produced in the West and Middle West are likely to be replaced by an increase in cattle numbers from the Appalachian region.

If the steel mills of Pittsburgh and Chicago were shut down for lack of sales, would the Federal Government adopt a program of subsidizing the construction of additional facilities for producing steel elsewhere in the country, and then argue that it had created new jobs by doing so? If the coal mines of Kentucky and West Virginia were closed down for lack of markets—as some of them are, I understand—should Federal funds go to help their competitors? Of course not.

Certainly, the situation is the same for beef. New beef production artificially brought into existence in the Appalachian region must certainly displace a corresponding production of beef somewhere else.

Last year we were also told that these additional feeder calves and cattle from Appalachia would substitute for the imported feeders we now receive from Mexico and Canada. What an argument of sophistry that is. Feeder cattle have been imported from Mexico and Canada for a good many years. It is not because we could not produce enough stockers and feeders here at home. The number of beef calves and of feeder steers produced in this country has steadily increased but imports have continued to come in. In practice, Mexico and Canada will continue to send us their surplus feeder cattle and calves as long as our tariff remains low and as long as we place no other impediments in the way of such trade.

Increased supplies of such cattle from Appalachia will not displace these imports. Rather, this will simply add that much supply to the market and compete directly with our own feeders produced in other parts of this country.

It is regrettable that in the presentation of this amendment the issue is made to appear as a sectional conflict, as if one part of our country were opposed to the aspirations of another. If it does so appear, that is not the result of any deliberate intention on my part. Although the cattlemen of my State may be in competition with those of Appalachia or other sections, there is no animosity in our competition. To the farmers of Appalachia, we say, "We wish you well. You are welcome to compete with us, utilizing any means that your skill and your brains enable you to use, in our great American competitive system. We ask only one thing; that the competition be on a fair and equal basis."

Because this proposal is essentially discriminatory against the beef producers of other parts of the country, I ask that the Senate adopt the amendment proposed by me and eight cosponsors, and delete section 203 from the bill. If the program envisioned by section 203 is as sound, worthwhile, and fair as its supporters appear to believe, it is suggested that they reintroduce it as a separate

measure so that it can be referred to the Senate Committee on Agriculture and there be studied, both as to its soundness from the standpoint of agricultural development and conservation, and also as to its effect upon the farm production and price situation, particularly of the beef cattle industry, in other parts of the country.

I ask unanimous consent to have printed in the RECORD at this point Public Law 1021, 84th Congress, 2d session, which authorized the Great Plains conservation program.

There being no objection, the statute was ordered to be printed in the RECORD, as follows:

H.R. 11833

An Act to amend the Soil Conservation and Domestic Allotment Act and the Agricultural Adjustment Act of 1938 to provide for a Great Plains conservation program

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended (a) by inserting "(a)" after the period following "Sec. 16," and (b) by adding the following subsection:

"(b) Notwithstanding any other provision of law—

"(1) the Secretary is authorized, within the amounts of such appropriations as may be provided therefor, to enter into contracts of not to exceed ten years with producers in the Great Plains area determined by him to have control for the contract period of the farms or ranches covered thereby. Such contracts shall be designed to assist farm and ranch operators to make, in orderly progression over a period of years, changes in their cropping systems and land uses which are needed to conserve the soil and water resources of their farms and ranches and to install the soil and water conservation measures needed under such changed systems and uses. Such contracts shall be in effect during the period ending not later than December 31, 1971, on farms and ranches in counties in the Great Plains area of the States of Colorado, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming, designated by the Secretary as susceptible to serious wind erosion by reason of their soil types, terrain, and climatic and other factors. The producer shall furnish to the Secretary a plan of farming operations which incorporates such soil and water conservation practices and principles as may be determined by him to be practicable for maximum mitigation of climatic hazards of the area in which the farm is located, and which outlines a schedule of proposed changes in cropping systems and land use and of the conservation measures which are to be carried out on the farm or ranch during the contract period to protect the farm or ranch from erosion and deterioration by natural causes. Under the contract the producer shall agree—

"(i) to effectuate the plan for his farm or ranch substantially in accordance with the schedule outlined therein unless any requirement thereof is waived or modified by the Secretary pursuant to paragraph (3) of this subsection;

"(ii) to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder upon his violation of the contract at any stage during the time he has control of the farm if the Secretary determines that such violation is of such a nature as to warrant termination of the contract, or to make refunds or accept such payment adjustments as the Secretary may deem

appropriate if he determines that the producer's violation does not warrant termination of the contract;

"(iii) upon transfer of his right and interest in the farm or ranch during the contract period to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder unless the transferee of the farm or ranch agrees with the Secretary to assume all obligations of the contract;

"(iv) not to adopt any practice specified by the Secretary in the contract as a practice which would tend to defeat the purposes of the contract;

"(v) to such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of the program or to facilitate the practical administration of the program.

In return for such agreement by the producer the Secretary shall agree to share the cost of carrying out those conservation practices set forth in the contract for which he determines that cost-sharing is appropriate and in the public interest. The portion of such cost (including labor) to be shared shall be that part which the Secretary determines is necessary and appropriate to effectuate the physical installation of the conservation measures under the contract;

"(2) the Secretary may terminate any contract with a producer by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest, and may agree to such modification of contracts previously entered into as he may determine to be desirable to carry out the purposes of the program or facilitate the practical administration thereof;

"(3) insofar as the acreage of cropland on any farm entered into the determination of acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, the cropland acreage on the farm shall not be decreased during the period of any contract entered into under this subsection by reason of any action taken for the purpose of carrying out such contract;

"(4) the acreage on any farm which is determined under regulations of the Secretary to have been diverted from the production of any commodity subject to acreage allotments or marketing quotas in order to carry out the contract entered into under the program shall be considered acreage devoted to the commodity for the purposes of establishing future State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended;

"(5) in applying the provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), relating to the reduction of storage amount of wheat, any acreage diverted from the production of wheat under the program carried out under this subsection shall be regarded as wheat acreage;

"(6) the Secretary shall utilize the technical services of agencies of the Department of Agriculture in determining the scope and provisions of any plan and the acceptability of the plan for effectuating the purposes of the program. In addition the Secretary shall take into consideration programs of State and local agencies, including soil conservation districts, having for their purposes the objectives of maximum soil and water conservation;

"(7) there is hereby authorized to be appropriated without fiscal year limitations, such sums as may be necessary to carry out this subsection: *Provided*, That the total cost of the program (excluding administrative costs) shall not exceed \$150,000,000, and for any program year payments shall not exceed \$25,000,000. The funds made available for the program under this subsection may be expended without regard to the maximum payment limitation and small payment in-



creases required under section 8(e) of this Act, and may be distributed among States without regard to distribution of funds formulas of section 15 of this Act. The program authorized under this subsection shall be in addition to, and not in substitution of, other programs in such area authorized by this or any other Act."

SEC. 2. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended, effective beginning with the 1957 crop of wheat, by adding a new subsection as follows:

"(g) If the county committee determines that any producer is prevented from seeding wheat for harvest as grain in his usual planting season because of unfavorable weather conditions, and the operator of the farm notifies the county committee not later than December 1, in any area where only winter wheat is grown, or June 1 in the spring wheat area (including an area where both spring and winter wheat are grown), that he does not intend to see his full wheat allotment for the crop year because of the unfavorable weather conditions, the entire farm wheat allotment for such year shall be regarded as wheat acreage for the purposes of establishing future State, county, and farm acreage allotments: *Provided*, That if any producer on a farm obtains a reduction in the storage amount of any previous crop of wheat by reason of underplanting the farm wheat acreage allotment pursuant to paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), or by reason of producing less than the normal production of the farm wheat acreage allotment pursuant to section 326(b) of this Act, this provision may not be made applicable to such farm with respect to the crop of wheat for which the farm acreage allotment was established."

Approved August 7, 1956.

#### SOUTH VIETNAM

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent that I may speak briefly and that the rule of germaneness be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YOUNG of Ohio. Mr. President, the hour is late. The time is at hand for the President to make a change in South Vietnam. I urge that our President replace Gen. Maxwell D. Taylor as U.S. Ambassador to South Vietnam, nominating Kenneth Keating, of New York, to succeed him in that extremely important diplomatic post.

I began to lose confidence in General Taylor when, as a member of the Committee on Armed Forces, I listened to his testimony as a witness before our committee, that the South Vietnam forces were winning the war against Communist aggression and infiltration from the north. He told of the then new military policy under the instruction of American military advisers of forming defensive compounds behind barricades, and that time after time the Communist guerrillas would attack some of these compounds and be repulsed and leave such and such number of dead; and the defenders suffered a fewer number of dead. Also, sometimes their attacks succeeded, he admitted. General Taylor testified that in this manner South Vietnam was winning the war against the Vietcong.

Frankly, Mr. President, I wondered at the time and I spoke out asking the ques-

tion: How could any nation win a war by keeping its forces restrained and simply waiting for the enemy to attack then claiming a great victory as they believed the enemy suffered more casualties than they? My view is that the only way the forces of South Vietnam can possibly win the civil war in which they are invaded by their Communist neighbors from the north, is to roll back the invaders by offensive tactics. However, Mr. President, General Taylor is a famed American military leader. I served for 37 months in World War II, most of the time in Italy and North Africa. I was never anything other than a civilian in uniform. Parenthetically speaking, I could never understand the tactics of our great military leaders in World War II invading Italy from the southerly part of the "boot" of that long, narrow peninsula and slowly fighting desperately contested battles over the rough mountain terrain, finally to Rome and to the Po Valley. It was beyond my comprehension why the 5th Army instead of landing at Salerno did not land on the side of Italy north of Naples, perhaps at Anzio and cut across Italy meeting our Allies coming from the other side. In the long history of the world Rome was captured many many times by enemy armies, but the 5th Army with which I served in a humble capacity was the very first to capture Rome the hard way from the south.

Frankly, Mr. President, I take a dim view of generals, or former generals, serving as Ambassadors of the United States. The Founding Fathers, in writing the Constitution of our country, provided that in the United States of America, civilian authority must always be supreme over military authority. It is, of course, for our President to determine who it is he wishes as Ambassador to South Vietnam. An Ambassador is the personal representative of our Chief Executive. Admittedly, the situation has gone from bad to worse in South Vietnam. In the Washington Daily News of last Saturday, January 30, there was published a most informative statement under the headline "Taylor Is Doing a Poor Job in South Vietnam," written by a news correspondent and columnist, Walt Friedenberg, a Scripps-Howard staff writer, returning from a half year in Saigon where he observed the entire situation in his professional capacity. I ask unanimous consent to have this article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### TAYLOR IS DOING A POOR JOB IN SOUTH VIETNAM

(By Walt Friedenberg)

Is Maxwell D. Taylor doing a good job as our Ambassador to South Vietnam?

Granted it's like being captain of a leaking ship with a mutinous crew in a stormy sea, the answer, in my judgment, is definitely "No."

The 63-year old general, who performed with distinction as a soldier, has been unable to become an effective diplomat amid the complications and subtleties of Saigon.

He is the clean-cut American over his head operating in Asia.

He is too self-confidently dedicated to the official preset solution to the Communist guerrilla war.

He is too insensitive to the curves and curlicues of Vietnamese politics.

#### TOO COOL

He is too cool and aloof toward the Vietnamese generals to become their confidant.

And in General Taylor, the United States has just about put all its Vietnamese eggs in one basket.

Since 1961 when President Kennedy sent him to Saigon for an urgent assessment, General Taylor has been the chief author of the plan.

Since July when he replaced the subtly effective Henry Cabot Lodge, General Taylor has been the executor of the plan.

And inasmuch as General Taylor has forestalled top-level visits by the Secretaries of Defense and State, only he can be the prime judge of his own performance.

#### HANDICAPPED

From the start, this West Point general was handicapped by his earlier associations.

His admiration for Maj. Gen. Duong Van (Big) Minh, the politically passé Chief of State, ran crossgrain to General Minh's arch rival Maj. Gen. Nguyen Khanh, then Premier, who had dumped General Minh from real power but still suspected his ambitions.

The first Taylor-Khanh public clash came soon over the issue of infiltration from North Vietnam.

General Khanh insisted it was large scale. General Taylor, either because of unsound intelligence or instructions to keep the Vietnam temperature down in an election year, pooh-pooed General Khanh's appraisal.

Also in July, General Khanh publicly called for a "to the north" campaign, partly to deflect attention from his own failures, partly from conviction that American planes and warships ought to be brought into action. General Taylor again put General Khanh down.

#### INFILTRATION

As it turned out, the United States this week announced that 10,000 Communists infiltrated into South Vietnam in 1964. And General Taylor last November came around to advocating air strikes in Laos and North Vietnam.

Because of these differences, General Khanh did not take General Taylor into his confidence over a new charter he proclaimed in August.

The move roused Buddhists and students and these two factions toppled General Khanh.

To a large degree General Taylor is prisoner of the American idea that any problem can be solved if enough money, men, and machines are applied to it. This is patently not working so far.

General Taylor also has fretted unduly—as has Washington—about the legitimacy of any Saigon government, rather than its effectiveness.

Mr. YOUNG of Ohio. Mr. President, at this time, we have 12 generals in South Vietnam. We have more than 20,000 men in our Air Force and ground forces in this unhappy civil war-torn country. I have reliable information that the situation there is now even worse than it was when we had but a few hundred military advisers instead of our present Armed Forces in excess of 20,000. Our forces over there are not headed like a conventional American Army with one or two generals but it seems more like the army of a Latin American Republic, top heavy with generals. There is a song in the night clubs of Saigon "O dear what



can the matter be, 12 generals and no strategy."

Mr. President, my view is that our President would manifest wisdom and judgment were he to replace Ambassador Maxwell D. Taylor with Kenneth Keating, of New York. Former Senator Keating is not a military man other than that he is a general in our Reserves. I have already voiced the fact that I take a dim view of professional generals occupying high official civilian positions in our Government from the Presidency down. History demonstrates that in the main this has not worked out. Kenneth Keating is internationally known as a former Congressman and U.S. Senator knowledgeable in the foreign affairs of our country. He would have the confidence of the American people. That he is a man of good judgment and integrity, loyal to his country and its institutions, personable and tactful is unquestioned. He has the confidence of his colleagues in the House of Representatives, in the Senate, and of high government officials with whom he, as a Member of the Congress, has had contact. It is our international policy that politics ends at the water's edge. Furthermore, the Communists of the Soviet Union and Red China have full knowledge of the actions of former Senator Keating at the time and preceding the time of the Khrushchev and Castro threat to the peace of the Western Hemisphere back in 1962. Kenneth Keating, of New York, was an able U.S. Senator. I believe, Mr. President, that he would prove an exceedingly able Ambassador to South Vietnam.

May I add, Mr. President, that I have had no conversation on this matter whatever, directly or indirectly, with former Senator Keating or with anyone representing him.

#### APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

The Senate resumed the consideration of the bill S. 3, to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

Mr. PELL. Mr. President, the Senator from Massachusetts [Mr. KENNEDY] has just made an altogether excellent speech on the problems of New England. While our problems may not be as acute or may not be a century old, as are those of Appalachia, they are still burdensome and full of pitfalls and problems.

I, for one, hope to see the establishment of a regional development program in New England with a subregional program that might include the northern part of the State of Rhode Island, northeastern Connecticut, and the southern part of Massachusetts. This is not so large an area as the Appalachian region, but there is misery, hunger, poverty, and illiteracy there too. I thoroughly congratulate the Senator from Massachusetts on the initiative and forward thinking he has shown in this regard. I know that this idea has been germinating in his mind for many months. I look forward to seeing its fruition as soon as possible.

With regard to the Appalachia bill now before this body, it has been the subject of long, painstaking hearings and careful draftsmanship, tailoring legislation to meet the specific and unique economic needs of that region. It is a sound bill, which should set the guidelines for future regional plans. No area, no land, no region is an island unto itself; and for this reason I intend to support the Appalachia bill.

I commend the excellent work that has been done by the chairman of the Public Works Committee [Mr. McNAMARA] and the principal sponsor of the bill [Mr. RANDOLPH]. They have taken the lead in promoting a philosophy of regional economic planning and development which I would like to see gain national acceptance.

But I reiterate that my own region of New England, which for generations had enjoyed a high climate of prosperous industrial advance, widespread trade, important commercial fisheries, developed natural resources and specialized agricultural activities, has been experiencing in recent years serious economic dislocation. Each State in New England has specialized problems, but all of them can be met by cooperative regional planning because of our geographic and economic integration.

I ask such a plan for New England, just as I fully support one to meet the needs of the people and industries of Appalachia. I am confident that our State officials will cooperate in developing a regional plan specifically geared to the character of New England.

My hope is that the near future will see New England returned to its position as a leader in industry and commerce. I intend to do all I can to see this objective reached. I am pleased to see the Senator from Massachusetts [Mr. KENNEDY] take the lead he has taken in this matter.

#### THE HUMANITIES AND THE ARTS— ADDRESS BY REPRESENTATIVE WILLIAM S. MOORHEAD BEFORE THE AMERICAN COUNCIL OF LEARNED SOCIETIES

Mr. PELL. Mr. President, recently in New York City, before the annual dinner of the American Council of Learned Societies, Representative WILLIAM MOORHEAD, of Pennsylvania, spoke on the subject of the humanities and the arts.

This address sets forth in both meaningful and eloquent terms the need for a national foundation which would assist and stimulate the development of both these cultural areas, highly important to our national welfare and the future goals we seek.

As one who has introduced legislation with similar concepts in the Senate, I would like to extend my commendations to Congressman MOORHEAD for his informative and thoughtful presentation, which I believe will be of interest to my colleagues.

Because I feel that this address is very pertinent to the legislation which we will be considering in this session of the Congress to advance our Nation's cultural progress, I ask unanimous consent that the text of Congressman MOORHEAD's re-

marks entitled "A Great Audience for the Great Society" be inserted at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

#### A GREAT AUDIENCE FOR THE GREAT SOCIETY

(An address delivered by Congressman WILLIAM S. MOORHEAD, Democrat, of Pennsylvania, before the annual dinner of the American Council of Learned Societies, New York City, January 21, 1965)

Walt Whitman: "To have great poets, there must be great audiences, too."

T. S. Eliot: "A religion requires not only a body of priests who know what they are doing, but a body of worshippers who know what is being done."

As I appear before you, in awe of you, in awe of the total learning represented by this distinguished group, I am reminded of the admonition by Alexander Pope:

"A little learning is a dangerous thing;  
Drink deep, or taste not the Pierian  
spring."

It is a dangerous thing for me who has only tested, to appear before you who have partaken so deeply of the waters of the Pierian spring.

A little learning proved to be a dangerous thing for that Kentucky mountaineer named Joshua who pleaded not guilty before a very learned judge. When the very learned judge heard that the defendant's name was Joshua, he asked, "Are you the Joshua who made the sun stand still?" The reply came, "No, Your Honor, I am the Joshua who made the moon shine still."

A little learning also proved to be a dangerous thing for the repentant sinner who appeared before his priest and confessed that in the 20 years that he had worked for a building supply company he had stolen enough material to build a house for himself and even one for his son and daughter-in-law. The priest, who was shocked, said, "Son, you had better make a novena." The repentant sinner said, "OK, Father, if you've got the plans, I'll supply the lumber."

Dangerous though it may be to talk with this learned assembly about a National Humanities Foundation, I am going to make the venture, first discussing the political situation which this legislation faces and then discussing with you whether the arts, creative and performing, properly belong in, or whether they should be separated from, the National Humanities Foundation.

First, what is the general political climate in the United States today and, second, what are the specific political hurdles which the National Humanities Foundation legislation faces.

I come to you after having endured and enjoyed 4 days of a national political celebration—the inauguration of a President of the United States.

Before the inauguration some of the commentators surmised that it might resemble the inauguration of Andrew Jackson. They had not realized that the change in America inspired, or epitomized, by the late President and Mrs. John F. Kennedy has continued.

Let's look at the inaugural record. On Monday evening the President's special adviser on the arts—an office which, incidentally has been in existence less than 4 years—gave a reception for 50 persons prominent in the arts and letters. Here poets and painters, architects and historians, dancers and actors rubbed shoulders with and talked to Senators and Congressmen, Cabinet officers and members of the White House staff.

This was the political leadership of the country trying to indicate its awareness of the importance of the intellectual and cultural leadership of the country.



It was a tribute by the men of politics to the men of arts and letters—and, let me point out that the arts were not separated from the letters.

Later that evening there was a function—I can think of no other word—called the inaugural gala at which prominent persons in show business—Carol Channing, Julie Andrews, Carol Burnett, and others—charmed a huge crowd. The tickets to the gala were free—distributed by the national committee to deserving political workers. Despite the great wealth of talent, this audience gave its greatest ovation to the ballet performance of Dame Margot Fonteyn and Rudolph Nureyev.

The highlight of Tuesday was a sellout concert at which pianist Van Cliburn and violinist Isaac Stern performed with the National Symphony Orchestra.

This was followed by a reception in the State Department at which the political leaders were given an opportunity to meet and welcome these artists to Washington.

But this froth of inaugural activity is not the only thing indicative of a change. Let us remember that on January 12 of this year when the President sent a massive \$1.6 billion aid-to-education message to Congress, the voices of opposition, so strident in the past, were almost silent.

Another straw in the political wind, of particular importance to this group as a sponsor of the Commission on the Humanities, is the fact that on the opening day of Congress, 57 Members of the House of Representatives introduced bills identical to my bill H.R. 334 to establish a National Humanities Foundation. As of now there are more than 80 similar or identical bills.

In the U.S. Senate there are more than 40 Senators cosponsoring legislation for a National Humanities Foundation.

In addition, there are at least three bills in the Congress calling for the creation of a National Arts Foundation.

I am convinced that there is a growing awareness in the United States that an imbalance exists in our educational system and in our commitment to culture. The Congress, I believe, is ready to do something to rectify that imbalance.

But even though the time is ripe for something like the National Humanities Foundation, that does not mean that the legislation will be enacted.

As you know, there are many pitfalls (or should I say pratfalls) between the introduction and enactment of legislation. One of the greatest of these is the danger that \* \* \* infighting among the groups most directly involved and will tempt the Congress to say "A plague on both of your Houses, we will do nothing until you settle your own internal differences."

There is just such a danger between men of letters and men of arts.

It is not well enough recognized that while a National Humanities Foundation is broad enough to include the creative and performing arts, a National Arts Foundation is not broad enough to include the other humanities.

One of the questions which must be decided is whether all areas of creativity and learning which are not scientific should be gathered into one foundation or whether the creative and performing arts should be separated from the other humanities.

Politically, of course, it would be easier to obtain legislation for one foundation than for two and and it would avoid and unnecessary proliferation of agencies.

At the present time, in the White House, a debate is going on as to whether the administration should support one foundation or two, and if there are to be two, what should be the order of priority.

If the decision is for two foundations, priority will probably be given to an arts foundation. Such legislation has been before the Congress for many years but until this year,

the only bill to create a Humanities Foundation was the one I introduced last August.

A decision for two foundations and priority for the arts would probably mean a delay in the enactment of a foundation for the humanities for 2 or more years.

If you agree that there should be no delay in establishing one all-encompassing foundation, I think that the 100,000 scholars you represent should make their voices heard.

From the point of view of the scholar, one foundation seems preferable. Almost everything that scholars study was produced by an artist. Should scholars limit their association with artists to dead artists? I think that most of you would agree that an artist should know something of the history of art. I submit to you that an art historian should know something of the actual work of creative painting.

From the point of view of the artist, the concern is expressed that in competition for funds, artists will be forgotten unless they have their own foundation.

I do not think this concern recognizes the political facts of life. With one broad foundation, charged with support of the humanities and the arts, artists will seek meaningful financial assistance from a board of 25 members, "eminent in the humanities and the arts." Humanists and educators, with their superior organizational resources and advantageous geographical dispersion will be in a better position, politically, to lobby for money. If there are two foundations, the artists will be left to lobby on their own for financial support—they will, in fact, be competing with the NHF for cultural seed money.

But we should be asking ourselves whether one foundation or two are better means of attaining the national goal.

The national goal is twofold in nature.

It is to promote excellence in the creation and the understanding of art or as President Johnson called it, "the love of learning and the capacity for creation."

Great creativity in the arts alone is not enough, the Great Society must have a great audience.

What do I mean by that phrase?

I mean that a great civilization, at least in modern times, must have not only great creativity, but great receptivity. To reach this goal, it is quite clear to me that an arts foundation alone is not enough. By itself, it cannot perform the function of increasing the exposure of the creative and performing arts, but this is to water unplanted soil. The arts and the humanities are only artificially separable.

The humanities not only give us what is beautiful to see or to hear, but they also teach us what to look for and what to listen for. And it is important that an audience know these things. A great civilization needs the man who communicates to us in paint—but it is a greater civilization which can understand that communication to the fullest. And that understanding inspires the artist to even greater heights of creativity.

I conceive it to be a central function of a National Humanities Foundation to promote excellence in the creation and the understanding of art in America—to develop a great audience for great creative artists. Let me explore more fully the ways in which the National Humanities Foundation might do this in the fields of the performing and visual arts.

Because New York City is the theatrical capital of the Nation, let us consider this first in relation to the performing arts. I have in mind two different varieties of ventures which the National Humanities Foundation could support.

The first type of program would have as its primary focus the development and cultivation of "the great audience." As Walt Whitman said of poetry:

"Poetry like a grand personality is a growth of many generations. To have great poets, there must be great audiences, too."

In this task, one has to begin somewhere, and I propose that a good beginning point is with traditional theater productions. I am not suggesting that the National Humanities Foundation mount a full scale Broadway production, but it would support efforts to bring established classics to broader and more diverse audiences.

Last summer, on the street corners of New York, for example, a troupe of young and enthusiastic players brought Shakespeare to a Harlem audience. Most of those in that audience had never seen a play before. Their initial bewilderment changed rapidly to approval and delight. Such an undertaking offers the theater a splendid opportunity to fulfill its traditional function of illuminating for its spectators unfamiliar corners of life; it also begins to develop the potential of a vast and as yet untried audience.

In addition to the anniversary of the Magna Carta, we have been celebrating the 400th year after the birth of Shakespeare. Suppose that out of the wealth of acting talent in New York, there were organized several traveling Shakespearean repertory companies whose visits to communities would be coordinated with high school literature courses so that the students who had been reading and discussing Shakespeare in a humanities course would suddenly have it brought alive to them in a three-dimensional form by professional actors on the stage.

The primary objective of such programs would be to awaken a love for and an understanding of the live theater in the hearts of people throughout the United States.

However, there would also be byproducts beneficial to the theatrical profession. In addition to the opportunities it would offer to the underemployed acting profession, such a program might well bring into the open an acting genius whose talents might otherwise never have been discovered. We would hope that the immediate benefits of such a program in terms of jobs for members of the theatrical profession would be dramatic. But our primary focus in this type of venture, that of educating broad audiences to be willing theatergoers, will have the long-range product of developing the very large audience which is necessary if the theater arts and its practitioners are to flourish in this country.

I mentioned another type of program, which the National Humanities Foundation might appropriately support. I think the National Humanities Foundation could and on occasion would, subsidize a theatrical production thought to be of unusual merit without reference to the audience it would attract. The young performer, the experimental production, the untried director, would be the primary object of such a program. They would be offered a stage on which to develop their craft, a way to obtain recognition of their talents, and also, of course, a way to earn a living in their chosen profession. The focus of these efforts could be actors' workshops, small theaters, or college campuses. For example, in a statement last year to the House Committee on Education and Labor, Walter Caro, the executive director of the Theater Guild-American Theater Society, said:

"Just the other day I attended a production of a new play which could not be produced on Broadway, but for which we finally persuaded the University of Michigan to appropriate some money in order to get the play on the boards. They sustained a loss. It is a new, important, and challenging work. It never would have come to light."

In a university setting, there would be the added advantage of an unusual opportunity to develop the powers of comprehension of the audience and increase their receptivity to the experimental and innovative productions which are the seedbed of future theater.



We would be building an audience on which we could depend to support the performing arts in years to come. And this, rather than Government support, should be the economic foundation for the performing arts.

And who knows, in this audience which we are building, we may "strike a spark" of response in a potential Ibsen, Albee, or Brecht.

The primary aim, of course, of subsidizing experimental works of unusual merit would be providing outlets for underemployed professional talents. The primary aim of sponsoring the more conventional efforts, such as the traveling Shakespearean troupes, is the development of a responsive supporting audience. And it is hoped that in the more experimental productions, we would be developing a great audience, as a secondary aim, while the support of the conventional theater, albeit in unconventional ways, would open up many new jobs for actors and directors.

Thus, the two forks of National Humanities Foundation aid to the theater arts are supplementary. Each is necessary, if we are to achieve the twin goals of excellence in creativity and understanding of the arts. I stress both sides of this coin because it is so clear to me that the National Humanities Foundation must aid in the development not only of a great American theater, but also of a receptive and educated audience which will be able to support that theater. And this, a National Humanities Foundation, working with educators and humanists such as yourself, would be uniquely prepared to do.

The foundation would not, of course, confine its attention exclusively to the theater. Additional programs might be of inestimable value to the other performing arts. I can think of fellowships or internships for musicians with symphony orchestras or with the recognized masters of their instruments.

Universities should be encouraged to have poets and composers, musicians, authors, and playwrights in residence. There should be encouragement of conferences which would bring together and stimulate interaction among educators and the visual and performing artists. Exposure to practicing artists in a university setting may stimulate students' interests in music or painting or sculpture, develop a broader and better audience of humanistically trained people, who can appreciate and stimulate an artist's work.

This points up how unnatural it would be to divide artists from other humanists. How would we classify Paul Hindemith, or Robert Penn Warren at Yale, or Leonard Bas-kind at Smith.

Insofar as the visual arts are concerned, a National Humanities Foundation can do anything that an arts foundation could do, but it can also do much more. The visual arts, like all other arts, do not exist and never have existed in a social vacuum. They are part and parcel of the history and philosophy of their times, and to be properly appreciated, they must be understood as such. For example, Picasso's "Guernica," viewed in isolation, has a powerful impact, but how much more powerful, how much more moving it is when seen as a vivid and immediate symbol of the intellectual turmoil and disillusion accompanying the ravages of the Spanish Civil War, when we understand the anguish and fury which prompted a disillusioned Picasso to make this comment on the horrors of war.

We do not do the artists a service if we concentrate our efforts only on the artist himself and neglect the people for whom he paints. The visual arts need a great audience, too. In rare instances there may be a Gauguin who must retire from civilization to attain his fullest creative powers, but in most instances, the artist is a part of society and

is affected, either favorably, or unfavorably, by the people for whom he paints.

In its report to the Commission on the Humanities, the American Society for Aesthetics said:

"There has been a remarkable growth of interest in the arts in this country since World War I. Unfortunately, this great wave of interest has not been adequately matched by efforts directed toward an understanding of the arts."

I can conceive of support for programs which would bring exhibits of contemporary art and artists, too, to college campuses where the artist might discuss his work with the members of the art department. The exchange would be a rewarding experience for both artist and professor.

Not only would such a program give direct financial assistance to the particular artist but it would also help to establish future support for the arts. Exposure to the practicing artist in a university setting may stimulate students' interest in painting and sculpture, develop a broader and better audience of humanistically trained people, who can appreciate, stimulate, support, and believe in artists' work.

A National Humanities Foundation program of assistance to museums would also mean support for artists and development of an audience for their work.

A National Humanities Foundation would help to bring attention to the valuable potential for museums in the enrichment of American life. There are more than 5,000 museums now in existence in the United States with an annual attendance totaling over 200 million visits. But this asset cannot be fully utilized, mainly because the rapid growth of our museums, spurred on by public interest, has far outstripped the ability of the museum community to provide trained personnel for its scholarly, civic, and educational obligations.

The National Humanities Foundation will encourage training and participation in the arts themselves, giving to some the impetus and training needed to develop their creative talents, and to others, the training in the arts necessary to increase their receptivity.

Above all we should not establish institutions which separate artists from other humanists. As the late T. S. Eliot in his "Notes Toward the Definition of Culture," said:

"Nor does it follow that in a society of whatever grade of culture the groups concerned with each activity of culture will be distinct and exclusive: on the contrary, it is only by an overlapping and sharing of interests, by participation and mutual appreciation, that cohesion necessary for culture can obtain. A religion requires not only a body of priests who know what they are doing, but a body of worshippers who know what is being done."

A great society needs great artists and a great audience. It is my hope that scholars and educators, working with artists and performers can, with the help of the National Humanities Foundation, build that audience, will inspire those artists.

#### APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

The Senate resumed the consideration of the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

Mr. SYMINGTON. Mr. President, the problems of Appalachia are well known. They are, as was stated by President Johnson, "a challenge to the ingenuity as well as to the compassion of

Congress." That challenge has been well met in the provisions of the Appalachian Regional Development Act of 1965.

I join my colleagues, however, in concern for other areas throughout the country which have similar economic problems. In my own State of Missouri, the economy in certain sections of the southeast and southwest part of the State has faltered and lags far behind that of the Nation as a whole.

Stripmining has left a scarred landscape. Marginal lands bring bare subsistence. Population is sliding. In many counties, median family income falls well below \$3,000. This area of Missouri joins that of Arkansas and Oklahoma. Similar topography and similar problems here in this three-State area offer hope of common solution.

It is my feeling that the administration should offer a comprehensive proposal to prepare plans similar to those undertaken on behalf of Appalachia looking forward to development and restoration of other regions capable of development—including the Ozark region of Missouri.

I should like to inquire as to the position of the leadership on this matter.

Are there any plans now along the lines I suggested in the brief statement I have made?

Mr. RANDOLPH. Mr. President, I am delighted to have the statement of support of the Appalachian Regional Development Act by the very eminent Senator from Missouri.

Definite efforts will be made in the near future to give careful consideration to the presentation of the Ozark and other proposals. The mechanism for such presentations is embodied in S. 820 now at the desk, where it will remain through the end of business on Wednesday. Perhaps the Senator from Missouri would like to be a cosponsor of such a measure with the Senator from Michigan [Mr. McNAMARA] and many other members of the Public Works Committee, who have signed their names as cosponsors. They have indicated, by their signing, that the work will go forward in the committee.

I say to the Senator that any area which can make a case puts the responsibility on Congress to give attention to its proposals.

Mr. SYMINGTON. I thank the Senator from West Virginia for his remarks. I deeply appreciate the position he takes. It is typical of the fine work he does, not only for his State of West Virginia, but for the people of the country as a whole.

#### AID TO THE UNITED ARAB REPUBLIC

Mr. JAVITS. Mr. President, I invite the attention of Senators to the fact that there has been a great deal of going and coming with respect to the action of the House in cutting off aid to President Nasser.

I have received a communication from the State Department in which it stated that our aid program with the United Arab Republic is still under consideration to determine whether it is still serving the purpose of advancing U.S.



objectives in the United Arab Republic and the Middle East generally.

In my judgment the President of the United States should make the foreign policy of the United States, unless he puts us in a position where it is impossible to feel that he is carrying out the consensus of the country. In that case Congress, as it has done before, will again take the matter into its own hands.

Therefore, if the President of the United States wishes us to leave his hands free on this question of foreign policy, he should make a declaration that we will not aid the United Arab Republic so long as it torpedoes the cause of world peace and the foreign policy of the United States. Otherwise, the President leaves the Senate no alternative but to follow the action of the House. If he wishes to have a free hand, he must act. I hope that he will do so. I say that because I agree that he should have a free hand; but having a free hand does not mean being free from the responsibility to do what the situation demands.

#### APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

The Senate resumed the consideration of the bill S. 3, to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

Mr. LAUSCHE. Mr. President, the bill before the Senate contains the title "Mining Area Restoration."

Under the language of the bill the Federal Government would be authorized to spend money to restore strip mining lands. The lands to be restored, under the present language of the bill, would include not only privately owned property but also Federal, State, and local government land holdings.

I am of the opinion that it is imprudent to contemplate spending taxpayers' money at this time on private land for the purpose of breaking down high walls, leveling ridges, and planting grass and trees and shrubs.

I have no objection to the spending of Federal money on Federal, State, and local government property, but the moneys ought not be spent in restoring land owned by the very entities that destroyed the land.

#### AMENDMENT NO. 7

The PRESIDING OFFICER. The hour of 11 o'clock having arrived, the Senate will proceed under the unanimous-consent agreement previously entered into.

Mr. LAUSCHE. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. On page 25, line 3, it is proposed beginning with the word "Projects", it is proposed to strike out all through the word "with." on line 16.

On page 28, line 12, it is proposed following the words "this section.", it is

proposed to insert "No moneys authorized by this Act shall be expended for the purposes of reclaiming, improving, grading, seeding, or reforestation of strip-mined areas except on lands owned by Federal, State, or local bodies of government, until authorized by law after completion of the study and report to the President as provided in subsection (c) of this section."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio. The Senator has available under the unanimous-consent agreement 10 minutes. Ten minutes are available to the opposition.

Mr. LAUSCHE. Mr. President, the bill contains a section which would command and authorize the Department of the Interior to make a study of the problem of strip-mined lands. The study is to be completed by July 1, 1967. Heretofore, I have argued on the floor of the Senate that the subject of restoring lands owned by private individuals and companies ought not to be taken up until the study which would be authorized is completed. As I have said, that study will be completed on July 1, 1967.

My amendment would allow restoration of lands owned by the Federal, State, and local governments. It would not allow the restoration with taxpayers' money of lands owned by companies and private individuals, who, as I have previously stated, have destroyed the very lands that we now contemplate reclaiming.

My amendment deals only with privately owned lands. No moneys would be authorized to be spent in the reclamation of those lands until there was specific authorization by law after the study contemplated in the bill is completed.

Mr. President, I believe my amendment is sound. I believe the Senator in charge of the bill looks with favor upon it. A very anomalous situation exists. We are witnessing and tolerating the strip mining of land. That operation is rendering the land useless. Unless my amendment is adopted, the money of taxpayers will be used to reclaim, repair, and make right what the strip miners themselves should have done.

That is my case. I believe it is sound. It would be unjust and the height of folly to take the money of the ordinary taxpayer and spend it on the reclamation of lands, the ownership of which will be in private individuals, even though there would be a provision that such land might be used by the general public.

I reserve the remainder of my time.

Mr. RANDOLPH. Mr. President—

The PRESIDING OFFICER. How much time does the Senator from West Virginia yield to himself?

Mr. RANDOLPH. Five minutes.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 5 minutes.

Mr. RANDOLPH. Mr. President, that portion of the bill to which the able Senator from Ohio has directed the attention of the Senate was the subject of study and hearing during consideration of the bill last year as well as this

year. It has been the subject of continuing counseling by members of the Committee on Public Works with the Senator from Ohio.

In general, in essence, and in the broad outlook we have agreed with the Senator from Ohio. It has been the purpose of the committee to have provision in the legislation to restore, reclaim, and rehabilitate the strip-mined lands in areas which were public and from which the public would benefit. For a time it was thought that certain private lands might be involved. Those private lands might lend themselves to development into industrial parks or in other uses for which public benefits would be assured. For that reason the language in the bill seemed to be valid.

However, no Senator has had a more intimate knowledge of the subject of strip mining than has the Senator from Ohio, who is a former Governor of his State. We know his efforts while chief executive of Ohio, to improve and redevelop the scarred land that has resulted from strip mining. Both the Senator from Ohio and the Senator from West Virginia know that more than 800,000 acres of land have been strip mined in approximately a dozen States. We also know that there has been a voluntary reclaiming of the lands in some States, and in other States there has been reclamation as a result of the passage of State laws.

We also recognize that this land which has been scarred, eroded, and made ugly was made so because of certain strip mining operations that of necessity were required to go forward. So we would not make a blanket indictment against strip mining operations. But we would say only that there has been a failure, in part the result of State law and in part caused by the operator, who oftentimes has been without financial resources, to provide for the reclaiming of the land.

Therefore, today we find that of the approximately 500,000 acres of affected land within the Appalachian area, only a portion of such land has been reclaimed. I believe only about 40 percent of the strip mined territory of the United States has been reclaimed as of today.

The PRESIDING OFFICER. The time of the Senator from West Virginia has expired.

Mr. RANDOLPH. Mr. President, I yield myself an additional 3 minutes.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 3 additional minutes.

Mr. RANDOLPH. There was no desire on the part of the committee or the Senator now speaking in any sense to bring a windfall to any corporation. What we desire to do is for the public good. We would do it for the general welfare.

Therefore, because of the constructive suggestion and the broad experience of the Senator from Ohio, and because this is not a point easily arrived at but has been the subject of a considerable number of conferences, the Senator from Kentucky [Mr. COOPER], the ranking minority member of the Committee on



Public Works, and the Senator from West Virginia are in a position to accept the language of the amendment as modified by the Senator from Ohio. We will therefore proceed with this work as was intended at the outset, of course, but now it will proceed only on public lands until completion of the study authorized in the pending bill.

Mr. LAUSCHE. I appreciate very much the very sound approach that the

Senator from West Virginia has taken to this subject.

Mr. President, I wish to have printed in the RECORD a tabulation showing the dollar value of the coal taken out of the ground in the States of the Union together with a tabulation of the depletion allowance that has been granted to the companies that did the mining.

The coal industry has a 10-percent de-

pletion allowance. That means that 10 percent of the money received for the coal is set aside as nontaxable. The depletion allowance for coal-mining companies in 1960, which is the last tabulation I have, was \$44 million. I ask unanimous consent that the tabulation be printed in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

*Estimated maximum depletion deduction allowable—Bituminous coal, lignite (strip mining), year 1960*

SCHEDULE NO. 1

State	Number of strip mines	Production, net tons	Average value f.o.b. mine	Estimated total gross value	Estimated royalty exclusion, at 15 cents per ton	Estimated adjusted gross income depletable	Estimated depletion allowable, at 10 percent rate	Percent total coal production by stripping
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Alabama	39	2,558,414	\$5.06	\$12,945,574.84	\$383,762.10	\$12,561,812.74	\$1,256,181.27	19.6
Alaska	6	655,489	8.90	5,833,852.10	98,323.35	5,735,528.75	573,552.88	90.7
Arkansas	10	296,249	7.30	2,162,617.70	44,437.35	2,118,180.35	211,818.04	72.4
Colorado	7	692,849	3.73	2,584,326.77	103,927.35	2,480,399.42	248,039.94	19.2
Illinois	69	22,670,585	4.01	90,909,045.85	3,400,587.75	87,508,458.10	8,750,845.81	49.3
Indiana	47	10,784,967	3.82	41,198,573.94	1,617,745.05	39,580,828.89	3,958,082.89	69.4
Iowa	25	867,924	3.41	2,959,620.84	130,188.60	2,829,432.24	282,943.22	81.3
Kansas	11	884,690	4.71	4,166,889.90	132,703.50	4,034,186.40	403,418.64	99.6
Kentucky	129	19,672,192	3.34	65,705,121.28	2,950,828.80	62,754,292.48	6,275,429.25	29.4
Maryland	37	487,636	3.32	1,618,951.52	73,145.40	1,545,806.12	154,580.61	65.2
Missouri	23	2,801,937	4.28	11,992,290.36	420,290.55	11,571,999.81	1,157,199.98	96.9
Montana	5	197,430	2.12	418,551.60	29,614.50	388,937.10	38,893.71	63.0
New Mexico	1	45,000	4.59	206,550.00	6,750.00	199,800.00	19,980.00	15.3
North Dakota	31	2,522,552	2.29	5,776,644.08	378,382.80	5,398,261.28	539,826.13	99.9
Ohio	265	23,883,289	3.64	86,935,171.96	3,582,493.35	83,352,678.61	8,335,267.86	70.3
Oklahoma	15	1,093,965	6.29	6,881,039.85	164,094.75	6,716,945.10	671,694.51	81.5
Pennsylvania	553	20,875,533	3.68	76,821,961.44	3,131,329.95	73,690,631.49	7,369,063.15	31.9
South Dakota	1	20,448	4.08	83,427.84	80,360.64	3,067.20	8,036.06	100.0
Tennessee	71	1,763,913	3.36	5,926,747.68	264,586.95	5,662,160.73	566,216.07	29.8
Virginia	35	1,370,864	3.17	4,345,638.88	205,629.00	4,140,009.88	414,000.99	4.9
Washington	1	16,177	9.75	157,725.75	2,426.55	155,299.20	15,529.92	7.1
West Virginia	140	6,754,001	3.66	24,719,643.66	1,013,100.15	23,706,543.51	2,370,654.35	5.7
Wyoming	9	1,713,384	2.80	4,797,475.20	257,007.60	4,540,467.60	454,056.76	84.6
Total	1,530	122,629,664		459,147,443.14	18,394,449.60	440,240,494.36	44,024,049.44	
Overall average			3.74					

NOTES

(1) Col. 1 from table 29, p. 86, Minerals Yearbook, 1960, vol. II, "Fuels," U.S. Department of the Interior, Bureau of Mines.

(2) Col. 2 from table 28, p. 86, Minerals Yearbook, 1960, vol. II, "Fuels," U.S. Department of the Interior, Bureau of Mines.

(3) Col. 3 from table 63, p. 137, Minerals Yearbook, 1960, vol. II, "Fuels," U.S. Department of the Interior, Bureau of Mines.

(4) Col. 5 assumed royalty payments based on estimated average of 15-cent-per-ton royalty, for bituminous and lignite.

(5) Col. 7 maximum percentage depletion allowable on 10 percent of adjusted gross income.

(6) Col. 8 table 15, p. 67, Minerals Yearbook, 1960, vol. II, "Fuels," U.S. Department of the Interior, Bureau of Mines.

*Estimated maximum depletion deduction allowable—Bituminous coal, lignite (strip mining), year 1961*

SCHEDULE NO. 2

State	Number of strip mines	Production, net tons	Average value f.o.b. mine	Estimated total gross value	Estimated royalty exclusion, at 15 cents per ton	Estimated adjusted gross income depletable	Estimated depletion allowable, at 10 percent rate	Percent total coal production by stripping
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Alabama	44	2,701,052	\$4.79	\$12,938,039.08	\$405,157.80	\$12,532,881.28	\$1,253,288.13	20.9
Alaska	4	627,537	8.17	5,126,977.29	94,130.55	5,032,846.74	503,284.67	85.2
Arkansas	10	230,341	6.75	1,554,801.75	34,551.15	1,520,250.60	152,025.06	58.3
Colorado	6	521,368	3.68	1,918,634.24	78,205.20	1,840,429.04	184,042.90	14.2
Illinois	61	22,785,504	3.96	90,230,595.84	3,417,825.60	86,812,770.24	8,681,277.02	50.4
Indiana	40	10,497,306	3.79	39,784,789.74	1,574,595.90	38,210,193.84	3,821,019.38	69.5
Iowa	26	779,600	3.43	2,674,028.00	116,940.00	2,557,088.00	255,708.80	84.1
Kansas	9	661,876	4.67	3,090,960.92	99,281.40	2,991,679.52	299,167.95	99.7
Kentucky	111	21,453,691	3.36	72,084,401.76	3,218,053.65	68,866,348.11	6,886,634.81	34.0
Maryland	33	470,263	3.21	1,509,544.23	70,539.45	1,439,004.78	143,900.48	62.1
Missouri	19	2,867,037	4.25	12,184,907.25	430,055.55	11,754,851.70	1,175,485.17	2.4
Montana	4	271,008	2.04	552,856.32	40,651.20	512,205.12	51,220.51	73.1
New Mexico	1	15,248	5.03	76,697.44	2,287.20	74,410.24	7,441.02	3.7
North Dakota	31	2,724,289	2.25	6,129,650.25	408,643.35	5,721,006.90	572,100.69	99.9
Ohio	260	22,463,370	3.57	80,194,230.90	3,369,505.50	76,824,725.40	7,682,472.54	69.7
Oklahoma	17	882,844	6.18	5,455,975.92	132,426.60	5,323,549.32	532,354.93	85.6
Pennsylvania	535	20,744,848	3.60	74,681,452.80	3,111,727.20	71,569,725.60	7,156,972.56	33.1
South Dakota	1	17,805	4.20	74,781.00	2,670.75	72,110.25	7,211.02	100.0
Tennessee	65	1,761,170	3.39	5,970,366.30	264,175.50	5,706,190.80	570,619.08	30.1
Virginia	36	1,412,341	2.98	4,208,776.18	211,851.15	3,996,925.03	399,692.50	4.7
Washington	1	6,382	9.71	61,969.22	957.30	61,011.92	6,101.19	3.3
West Virginia	154	5,860,083	3.55	20,803,294.65	879,012.45	19,924,282.20	1,992,428.22	5.2
Wyoming	9	2,224,121	2.91	6,472,192.11	333,618.15	6,138,573.96	613,857.40	88.0
Total	1,477	121,979,084		447,779,923.19	18,296,862.00	429,483,060.29	42,948,306.03	
Overall average			3.67					

NOTES

(1) Col. 1, table 30 p. 96, Minerals Yearbook, 1961, vol. II, "Fuels," Department of the Interior, Bureau of Mines.

(2) Col. 2, table 30 p. 96, Minerals Yearbook, 1961, vol. II, "Fuels," Department of the Interior, Bureau of Mines.

(3) Col. 3, table 64 p. 148, Minerals Yearbook, 1961, vol. II, "Fuels," Department of the Interior, Bureau of Mines.

(4) Col. 5, assumed royalty payments based on estimated average of 15 cents per ton royalty for bituminous and lignite.

(5) Col. 7, maximum percentage depletion allowable on 10 percent of adjusted gross income.

(6) Col. 8, table 14, p. 76, Minerals Yearbook, 1961, vol. II, "Fuel," Department of the Interior, Bureau of Mines.



Mr. LAUSCHE. Mr. President, I am ready for the vote on the amendment.

Mr. RANDOLPH. Mr. President, the Senator from West Virginia wishes to point out further that more acres have been strip mined in Ohio than in any other State. We sometimes think of West Virginia and Pennsylvania as the leading coal-producing States; but strip mining has been done more extensively in Ohio than in any other State.

Again, as the Senator in charge of the bill, I say that I am in agreement with the Senator from Kentucky [Mr. COOPER], that the amendment as now modified is acceptable.

Mr. COOPER. Mr. President, the suggestion of the Senator from Ohio is of tremendous value. We know of the effort he has been making for 2 years to have a survey made of the problems that arise from strip mining.

Two or three years ago, I was informed by the Forest Service, of the Department of Agriculture, that there was little knowledge of the types of things that could be done to correct the ravages resulting from strip mining. Studies have been made of the damages caused in flat country, but the Forest Service said there was little information about the types of vegetation or timber that could be established upon the ravaged lands.

The only research that has been in progress on this problem to date is that conducted by Berea College, in Kentucky, through the efforts made by the Senators from West Virginia [Mr. RANDOLPH and Mr. BYRD] and the Senators from Kentucky [Mr. COOPER and Mr. MORTON]. Two years ago we were able to secure a small appropriation to permit this investigation to go forward. Now it is necessary to have more money.

Mr. LAUSCHE. Mr. President, this morning I asked Mr. Leary, of the Department of the Interior, what experiments had been made concerning the kinds of vegetation that can be grown on the strip-mined lands. He told me that the Department had made two experiments on two small plots of land. I had to chuckle when he gave that answer, because we in Ohio have been conducting experiments for 16 years, trying to find out what kind of trees and grasses will grow and how the ground can be prepared to produce vegetation where the coal has produced a toxic condition when water has fallen on it.

Since we have entered into this discussion, I may say to the Senator from Kentucky that it strengthens my judgment that the only intelligent way to handle this situation is, first, to make a study, and then to formulate a program concerning what shall be done.

Mr. COOPER. Despite the provisions in the bill, unless some support is given to research to determine the types of vegetation that can be produced, how forestry can be conducted, and how the acid water that comes from the strip mines can be treated to make it potable again, all of this action will not mean very much.

Mr. RANDOLPH. Mr. President, has all time expired?

The PRESIDING OFFICER. The Senator from West Virginia has 2 minutes remaining.

Mr. RANDOLPH. I desire to yield myself 1 minute, to complete my remarks.

In furtherance of the colloquy between the Senator from Kentucky and the Senator from Ohio, I recall inviting the Secretary of Agriculture, last year, to travel with me over some of the strip-mined area in West Virginia. We found that in our conservation districts, headway was just beginning to be made in the development of cover crops that seemed to be, at least in part, successful. But the Department representatives themselves were the first to indicate that a further study in depth was needed in order to solve the problem completely.

So as we proceed with this reclamation work, interim reports will be made. This, I feel certain, is the desire of the Senator from Ohio and of the members of the committee, as well.

Mr. President, I ask that the Chair put the question.

The PRESIDING OFFICER (Mr. MONTROIA in the chair). All time has expired. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

Mr. LAUSCHE. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. RANDOLPH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. McGOVERN. Mr. President, would it be in order for me to ask unanimous consent to speak on the bill, even though no amendment is now pending?

The PRESIDING OFFICER. The Senator from South Dakota must ask for unanimous consent.

Mr. McGOVERN. Mr. President, I ask unanimous consent that I be permitted to speak for 5 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from South Dakota is recognized for 5 minutes.

Mr. McGOVERN. Mr. President, I supported the Appalachia bill last year, and I intend to support it again when it comes to a vote this year. But I shall do so with the full understanding that this is the first bill in a list of regional development programs that are to be implemented.

The problems of the Appalachian region are serious. The Senator from West Virginia [Mr. RANDOLPH] has brought that situation forcefully to the attention of Congress over a long period. But there are also serious and stubborn problems in other areas of the country. Not the least of them is concentrated in the Great Plains area.

Not wishing to encumber the bill now before the Senate with another amendment, but recognizing, nevertheless, the serious problems of the Dakotas, Montana, Wyoming, and other States of the upper Great Plains area, I introduced a bill a week ago to encourage much the

same kind of regional and economic development in that section of the country as is provided for in the Appalachia concept.

I hope that we may count on the assurances that were given this morning from the administration that regional planning and development will go forward in my section of the country, as it will in other parts of the Nation.

Mr. President, I ask unanimous consent that certain economic data prepared by my staff relative to economic problems in our area be printed at this point in the RECORD.

There being no objection, the data were ordered to be printed in the RECORD, as follows:

#### ECONOMIC DATA ON SOUTH DAKOTA AND THE NORTHERN GREAT PLAINS

I. From "Family Income and Related Characteristics Among Low-Income Counties and States," Welfare Research Report I, Welfare Administration, Department of Health, Education, and Welfare, September 1964.

(a) South Dakota's median family income is the ninth lowest in the Nation.

(b) Most of the 10 lowest median family income States registered the sharpest improvement in the Nation for median family income from 1949-59. But of the 10 lowest States, South Dakota was an exception with the lowest intercensal improvement (24.6 percent) of any State in the Nation. The national average gain was 50.5 percent over the 10-year period.

(c) Oliver County, N. Dak., registered the largest decline in median family income from 1949 to 1959 among the 10 lowest States, 41 percent.

(d) There are 128 counties which reflect various degrees of economic stagnation that calls for special attention with a minimum of delay. Of the 49 most severe counties, South Dakota has the largest number, 12.

(e) Another measure of significance in relation to the low-income States and counties is the ratio of persons in the dependent ages (under 18 and 65 or over) for each 100 persons in the so-called nondependent ages (18-64). Here, South Dakota's ratio is 96.1, second highest in the Nation.

(f) The aid to families with dependent children recipient rate, based on the number of children under age 18 receiving aid per 1,000 children under 18 years of age, is another good indicator. Among the lowest median family income States, this rate was below the national average in only 3 of the 10 lowest States, one of which was South Dakota.

II. From "Converging Social Trends: Emerging Social Patterns" welfare administration report, Department of Health, Education, and Welfare, 1964.

(a) The 20.9 percent of the families in South Dakota have annual income below \$2,000.

III. From Department of Commerce report, the Washington World, May 11, 1964.

(a) South Dakota suffered a 6-percent decline in per capita personal income from 1962 to 1963. This was the second highest percentage decline in the Nation. North Dakota suffered the highest, 12 percent.

IV. From "Economic Progress Bulletin," Upper Midwest Research and Development Council, April 6, 1964.

(a) If South Dakota had not had net migration of 94,466 in the 1950-60 period, 2.8 percent could have been added to total personal income.

(b) The national per annum percent of population growth for the period 1950-60 was 1.7 percent. For the upper Midwest it was 0.93 percent. For South Dakota, 0.42 per-



cent. Forty-six of South Dakota's counties showed a decline in population from 1950 to 1960. Only three counties did not show a net migration.

(c) It is estimated that the number of South Dakota farms will decrease from 63,000 in the 1954-58 period to 49,900 in 1975, or a 20.8-percent decline.

V. From "Education and the Upper Midwest Economies," by Jack I. Stone, upper Midwest economic study, a joint undertaking by the Upper Midwest Research and Development Council and the University of Minnesota, January 1964.

(a) Estimates of average salaries of classroom teachers in 1962-63 show that only two States rank lower than South Dakota's \$3,950 per year. North Dakota, with \$4,275 ranks 43d in the Nation. Montana is 29th with \$5,150.

(b) In North and South Dakota, less than one out of five elementary school teachers has a bachelor's degree—far fewer than in any other State in the Nation.

Mr. McGOVERN. Mr. President, I would find it difficult to support the Appalachia bill if I assumed that the Director of the Bureau of the Budget was speaking for the administration with respect to farm policy. In some of the statements that we read coming from the Budget Director with respect to agriculture policy, not only affecting my State, but all 50 States, there is cause for alarm. When we read, as I did a few days ago in a leading journal, a statement by the Director of the Bureau of the Budget that American agriculture can support only 1 million farm families, when in fact 3,500,000 families are now living on the land, that is, indeed, cause for great concern.

I am sure that that does not represent the position of the President. We shall get a message on agriculture from the President later this week. We have good reason to believe that the President will refute the line of reasoning set out by the Director of the Bureau of the Budget.

This is what the President had to say concerning agriculture when he spoke to a farm audience in Des Moines, Iowa, last October 7. He said:

This campaign is going to give the people of America a clear mandate for a farm policy that will restore full parity of income and opportunity to all of the American farmers who live on American farms.

That means not just 1 million, but all of the American farmers who live on American farms. That is 3½ million farmers, not 1 million, as one would conclude from the article by the Director of the Bureau of the Budget.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield.

Mr. LAUSCHE. Mr. President, I have had great difficulty in reconciling the statement of the Director of the Bureau of the Budget that 2½ million farmers ought to leave the land and go to the cities, while at the same time we propose in the Appalachian bill to give up to \$500 to each farmer in Appalachia to improve his pasture land for the purpose, in my mind, of increasing the cattle population.

The two things just do not go hand in hand.

Mr. McGOVERN. Mr. President, the point of the Senator may be well taken.

But, beyond that there is also the larger problem of how we shall deal with poverty in this country. It does no good simply to transfer rural poverty into the cities, which are already overly congested and troubled with unemployed and poverty.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McGOVERN. Mr. President, I ask unanimous consent that I may be permitted to speak for 3 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that the Senator be permitted to speak for 4 minutes, and that he may yield a half minute to me.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. I yield a half minute to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I saw the ravages of unemployment in the big cities during the depression. I was on the bench. I saw replevin actions and mortgage foreclosures brought before the courts.

If depression were to strike, I should pray that there would be more people on the farms where they are able to sustain themselves, rather than that they all be in the cities.

If we should ever have a recurrence of what happened and all of the people were to be concentrated in the cities, there would be an unbearable problem.

Mr. McGOVERN. Mr. President, I think the point of the Senator is well taken. Many of the serious depressions began on the farms. The depression of 1929 had its origin 8 or 10 years before that time, with the very severe depression of income in the agricultural areas.

Mr. President, to further assure our farm families that the philosophy outlined by the Director of the Bureau of the Budget does not represent the view of the President, I should like to quote three or four other statements made by President Johnson last October. He said:

We intend to continue, but to improve, commodity programs. We intend to strengthen farm income.

We intend to assure rural Americans full partnership in the building of our Great Society.

Then he said:

You can choose our proposal to continue but to improve commodity programs, or you can choose the contrary proposal, to wipe those programs out altogether.

Then the President reveals what would happen if we were to eliminate our farm commodity programs. He said:

First, net farm income throughout the Nation would be cut in half, or \$6 billion. Do you want that to happen?

Second, one out of five farmers would be bankrupt. Do you want that to happen?

The President does not even want 1 out of 5 farmers to be bankrupted, let alone to drive 2½ million farmers out of the total of 3½ million farmers off the land and into the cities to join the unemployed—or to sign up for the Job Corps.

The President then said:

We know from bitter experiences that depressions are farm-led and they are farm-fed, and I say to you that the Democratic Party under my leadership, as long as I am President, is not going to repeat that experience. \* \* \*

The Democratic goal is parity of income for the farmer.

Mr. President, it is because I believe President Johnson's pledge, which I have just read, that I feel I have the assurance which I think I need to support programs of public assistance for other sections of the country such as Appalachia. The greatest need in my State, among several, is improved farm income. The President's own policy statements, plus assurances in regard to regional development given today, reassure me that South Dakota problems are to be met.

I urgently hope and expect that when the President outlines his views on agriculture to Congress on Thursday, we shall have a strong reaffirmation of his pledge to improve our farm commodity problems, to raise farm income—which is now only about half the national per capita average—and to strengthen in every way that we can the agricultural sections of the country.

Mr. President, there is a very fine letter to the editor in this morning's Washington Post. This is authored by Mr. Leon Keyserling, the distinguished economist. It is entitled "Farmers' Plight." I ask unanimous consent that that letter to the editor may be printed at this point in the RECORD.

There being no objection, the letter to the editor was ordered to be printed in the RECORD, as follows:

#### FARMERS' PLIGHT

Your editorial of January 27 deals with the plight of agriculture, challenges any cutbacks in Government efforts to bolster farm income, and focuses upon the low-income commercial farmers, whom you state to be 1½ million, or almost 43 percent of total farm families, of whom 821,000 have incomes of less than \$5,000, and the rest average between \$5,000 and \$10,000. You also refer to about 1 million farm families—almost 29 percent of the total—as large commercial operators with gross income of \$10,000 a year or more. I would like to commend the general thrust of your editorials, but add that the farm income problem is far more serious than your figures would indicate.

Among those you class as large commercial operators, a majority have actual (net) incomes of less than half their gross incomes, and many work for substandard wages, after deducting costs of operations and taxes, and interest payments on their burdensome debts. As income is usually measured, in 1963 only 8 percent of farm families (not 29 percent) were at \$10,000 or more, contrasted with 20.7 percent of nonfarm families. Meanwhile, 43.4 percent of farm families were under \$3,000, contrasted with only 17 percent of nonfarm families; 17 percent of the former were under \$2,000, contrasted with only 6.2 percent of the latter; and 11.1 percent of the former were under \$1,000, contrasted with only 3.3 percent of the latter. And the \$3,000 figure is only a benchmark for poverty, not an acceptable level of income.

Putting aside the 4 percent of all farms which are really large or giant in nature, and which receive far more help from the Government than they need, almost all of the rest of the farm population needs a dras-



tically reoriented farm-income policy, which would also benefit the whole economy.

You are also correct in deploring the misconception that our economic problems can be ameliorated by an accelerated egress of people from agriculture. I estimate that probably a third and maybe a half of total excess unemployment in the United States today is due to reduction of the farm population since 1953; and that, in view of unusually high spending by farmers in ratio to their incomes, at least a fifth of our total national production gap of \$590 billion (in 1963 dollars) during the 12-year period 1953-64, was due to deficient farm income.

More important still, and again counter to the general impression, we will need a farm labor force practically as large in 1975 as now, despite the rapid advance in farm technology, if we really intend to provide a nutritious diet for all American families as part of the war against poverty, to meet our domestic food and fiber requirements (including industrial requirements) under conditions of sustained maximum employment and production, and to elevate to appropriate levels our food assistance to the more than half the world's population who are now dangerously underfed.

The farm problem is thus an acute illustration of what happens when we do not project meaningful quantitative estimates of our needs and resources as guides to public policies.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY of New York. Mr. President, will the RECORD show that it is the Senator from New York?

The PRESIDING OFFICER. The RECORD will so show.

Mr. KENNEDY of New York. Mr. President, I send to the desk an amendment and ask that it be stated.

The LEGISLATIVE CLERK. The Senator from New York [Mr. KENNEDY] proposes the following amendment:

On page 44, add to section 403 the following:

*"Provided, That the Commission is hereby authorized and directed to study and consider the inclusion of such counties of the State of New York as are contiguous to the Appalachian region as defined in this section and counties contiguous thereto, in the 'Appalachian region' for the purposes of this Act; and if the Commission shall decide after consultation with the State of New York, that these counties share the social and economic characteristics of the region, and that the inclusion of these counties would further the purposes of this Act as set forth in section 2, then the Commission is authorized and directed to invite the State of New York to participate in the Commission on an appropriate basis: Provided further, That the Commission may extend the invitation to the State of New York for inclusion of such of the described counties the inclusion of which would further the purposes of the Act: And provided further, That if such invitation is accepted by the State of New York, those counties shall be included in 'the region' or 'the Appalachian region' for the purposes of this Act."*

The PRESIDING OFFICER. How much time does the Senator from New York yield to himself? The Senator has 10 minutes.

Mr. KENNEDY of New York. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 minutes.

Mr. KENNEDY of New York. Mr. President, this program has been led by the distinguished senior Senator from West Virginia [Mr. RANDOLPH] and the distinguished senior Senator from Kentucky [Mr. COOPER].

I commend them for the efforts that they have made.

I spent a good deal of time in the Appalachian area, in both West Virginia and Kentucky. I know the needs that exist there. I commend the two Senators for the efforts which they are making to help and assist the people of that area.

Mr. President, it will be recalled that the Governors of several of the States first invited to participate in the planning of a program for Appalachia did not accept the invitation. As the potential worth of this excellent program became more clear, however, three Governors modified their earlier positions; and their States are now full participants.

The State of New York, however, has never taken part in this program. As a result, no New York counties are included in the "Appalachian region" for the purposes of the act.

This omission, I believe, is contrary to the purpose of the bill to provide true regional planning and development for this needy area. The counties of the southern tier of New York are, of course, immediately adjacent to the northernmost counties of Pennsylvania included in S. 3. Geographically, they are part of the great mountain chain of the Appalachians. Economically, they have many close ties with counties included in S. 3.

And, tragically, these counties share another characteristic trait of the areas now covered by the bill. They are poor. Of the 199,000 families in the 13 counties of the southern tier, for instance, more than 23,000—nearly 12 percent—have incomes of under \$2,000 a year, according to the 1960 census. In fact, these New York counties are less free from poverty than many of the counties now included in S. 3. In the Pennsylvania counties to which they are contiguous, for example, only about 11 percent of all families have incomes of under \$2,000 a year. And in Allegheny County, Pa., only 5.2 percent of all families are in this unfortunate class.

In several southern New York counties—like Allegany, Otsego, and Delaware—about 15 percent of all families have incomes under \$2,000 yearly. These counties are in this respect more like West Virginia—where in many counties about 17 to 18 percent of all families have incomes in this range—than they are to the counties of Pennsylvania which they adjoin.

These facts have many sad consequences. One of the most ominous is that young people are leaving the region in ever-increasing numbers. The birthrate of the region is about the same as that for the Nation as a whole. But while 14.6 percent of the Nation's population is in the vital age bracket from 15 to 24, counties like Steuben and Chautauqua have only 11.6 percent of their population in this group. A region's future, like a Nation's future, is in its youth; if these

counties continue to lose their young people, they will have no future.

It is for these reasons that I believe that the inclusion of many of the counties of the southern tier of New York would materially further the purposes of this bill.

Addition of these counties would follow ample precedent. Only as recently as the Senate's consideration of S. 2782 last year did the State of South Carolina have to participate. South Carolina was then included in the bill. Last week, the committee added four counties of the State of Ohio to the "Appalachian region" for the purposes of the act.

Unfortunately, it would be impossible at this time to include the counties of which I have spoken in the bill. The President's committee has had no opportunity to study the facts I have noted, in an effort to decide whether, and on what basis, these counties should be included in the planning and action programs to be carried out under this bill. Indeed, even if the committee, or Congress, had decided that their participation was appropriate, that participation would not now be possible. For this program is based on voluntary State participation. And the Governor of my State, regardless of the poverty found in these counties, has not seen fit to agree to their inclusion in the bill.

But the door should be kept open. My amendment would direct the Commission to study the inclusion of the counties of the southern tier—defined as "counties—contiguous to the 'Appalachian region'—as now defined in the bill—and counties contiguous thereto"—in the planning and action programs established under the bill. The Commission would have to decide whether any of these counties share the social and economic characteristics of Appalachia and whether their inclusion would further the purposes of the act—whether their inclusion would assist in the regional development of an area which now "lags behind the rest of the Nation in its economic growth," the people of which "have not shared properly in the Nation's prosperity."

If the Commission decided that these criteria were met, it would invite the State of New York to participate in the Appalachian Regional Commission proposed to be established by the bill. If the Governor then accepted this invitation, the appropriate counties, as decided by the Commission, would be included in the "Appalachian region" for the purposes of the act.

I would like to stress two points about this amendment.

First, it is not an enlargement of S. 3, nor does it extend S. 3 beyond its original intended bounds. This is a bill for the entire Appalachian region. I do not think there is any question but that southern New York is a part of that region.

Second, the amendment would not allow these New York counties to participate until a majority of the States now represented on the Commission, and the Federal cochairman, decide that their inclusion is appropriate—in light of their



needs and the suitability of integrating their planning with counties already participating.

In sum, this amendment would keep open the possibility of correcting the omission of these counties, so sorely in need of regional planning and assistance, from this forward-looking program. It is my hope, as it is the hope of the communities of southern New York, that the Governor will reconsider his position and allow them to develop their lagging economies. Should he do so, the bill should not prevent them.

The counties of New York which I would expect to be affected by this amendment are Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Ostego, Schuyler, Steuben, Tioga, and Tompkins.

The PRESIDING OFFICER. Does the Senator from New York yield back his time?

Mr. KENNEDY of New York. I wish to reserve my time.

Mr. COOPER. Mr. President, I ask for 2 minutes.

The PRESIDING OFFICER. Does the Senator from West Virginia yield time to the Senator from Kentucky?

Mr. RANDOLPH. I yield 3 minutes to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 3 minutes.

Mr. COOPER. Mr. President, I recognize and appreciate the interest and concern of the distinguished Senator from New York in this area of New York, and in the specific counties to which he has referred in his statement, but his amendment gives me some concern. This concern causes me some difficulty because my own State is a beneficiary of this bill. In such a position one is in the danger of being thought to be interested in his particular State and not in other areas.

That is not my reason for opposing the amendment. I believe the amendment to be in contradiction to the history of the development of the act. Also, it contradicts the policy to which the committee has adhered with respect to similar proposals.

Speaking to my first point, the Appalachian bill came primarily from the States. The plan was worked out in specific detail by the Governors of the States and representatives of the Federal Government. After having reached certain conclusions and findings concerning the entire area, the late President Kennedy established the Appalachian Regional Commission to work out the details for an action program.

Subsequently the bill was presented to the Congress. It is an approach based upon the characteristics of the region, and it specifically names the counties which are to be eligible for development. Several counties in States have been added, but they have been added by the action of the committee, and last year they were confirmed by the Congress.

The amendment that has been proposed would not follow this careful procedure. It would delegate to the Commission the authority to review the problems of this particular area in New York

and to decide whether the area should be included, contingent upon the consent of the State.

I am sympathetic to the interest of the Senator. It is possible that these counties should have been included. We have had presented no evidence, however, of their specific problems and characteristics which would lead us to include them at this time.

I am concerned that this amendment gives to the Commission, rather than the Congress, the power to add additional areas.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. COOPER. May I have one more minute?

The PRESIDING OFFICER. Does the Senator from West Virginia yield 1 additional minute to the Senator from Kentucky?

Mr. RANDOLPH. I yield 1 minute to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 1 additional minute.

Mr. COOPER. In addition, to support the amendment would be contrary to the action we have been taking toward other areas that are asking for consideration. We have asked that they present their specific reasons.

It is a matter of some regret that I take this position. I believe, in all honesty, that I must take it. I shall vote against the amendment of the distinguished Senator from New York.

Mr. KENNEDY of New York. Mr. President, I yield 3 minutes to my colleague from New York.

The PRESIDING OFFICER. The senior Senator from New York is recognized for 3 minutes.

Mr. JAVITS. Mr. President, the State of New York has heretofore felt, through its Governor, that the Appalachia program was applicable to a region of the country which did not include New York.

Whatever may have been the reasons for that in the past, the amendment which my colleague from New York has now drafted leaves it to the State of New York to determine whether or not it shall enter into this program, because the operative words are "if the invitation is accepted," at the end of the amendment. This is different from the structure of the act as submitted to the State and as submitted to the Governor heretofore.

As the Senator from Kentucky has pointed out, in this structure of the bill, an invitation to the State is to be accepted as a part of the bill. I do not see that the State should or could properly object to the provision. However, I point out the State can be put in a difficult position by a definition to which it may not be a party, and as to which it may have strong opposition.

Therefore, I have suggested to my colleague from New York [Mr. KENNEDY] that I shall be glad to join with him in the amendment which he has proposed if we can make a few changes in it, which I should like to detail now.

Mr. President, if I offer an amendment to the amendment, I am entitled to 10 minutes, am I not?

May I ask the Senator in charge of the bill, if it is agreeable, to ask that time on the amendment be extended by 5 minutes, so we may wrap the whole thing together?

The PRESIDING OFFICER. Is there objection to the request?

Mr. RANDOLPH. I have no objection.

The PRESIDING OFFICER. There is no objection.

Mr. JAVITS. I thank the Senator. I suggest that we would deal with the fundamentals of the problem if the amendment were revised in the second line as indicated. As I said, I shall join in support of the amendment, with the consent of my colleague from New York, if he accepts these changes. The amendment now reads:

*Provided*, That the Commission is hereby authorized and directed to study and consider the inclusion of such counties of the State of New York as are contiguous to the Appalachian region.

And so forth.

I suggest, after the word "consider," that the following language be inserted: to study and consider in consultation with the Governor of the State of New York or an appropriate official or officials designated by him.

Mr. President, I shall send that language to the desk in a moment.

To conform with that change, in the sixth line, the words "State of New York" are no longer necessary, and it should read, "after such consultation," inserting words that go with the provision I have proposed.

Finally, in the 16th line, which provides for the acceptance of the invitation, after the word "is" I would insert the words "duly accepted," so it is in accordance with the constitutional processes of the State.

The words which I first used, "in consultation with the Governor of New York or an appropriate official or officials, designated by him" are words of art. Similar language is to be found on page 36, section 223 of the bill, which refers to consultation with the appropriate official or officials before grants can be made under the program. These words are the result of an amendment which I introduced last session to the pending bill and which was adopted and passed by the Senate on September 25, 1964. They provide a necessary requirement, I believe, for State participation in the Appalachian program.

One other point of qualification with regard to my colleague's proposal. The language contained in the amendment, "as are contiguous to the Appalachian region as defined in this section and counties contiguous thereto," may take us all the way to the Canadian border.

In short, the language itself may be unlimited in terms of the counties to be affected. I therefore suggest to my colleague, not as a part of the amendment—we can leave that to be clarified in conference—that we actually name for the RECORD the 13 counties which my colleague has in mind.

I should be happy to read them, if he wishes me to do so. This will nail down, for the purposes of debate and legisla-



tive history, exactly what counties we have in mind, defining or rather implementing the words which might be misconstrued and take us into a much broader area than my colleague has in mind in proposing his amendment.

Mr. KENNEDY of New York. I believe the language is quite clear as to what area would be included. I would have no objection, specifically, to including the names of the counties. The amendment was drawn up with some care, so I do not believe that it could possibly be considered as stretching beyond 12 or 13 counties. But I would have no objection to including the names of the counties, as an amendment to my amendment.

Mr. JAVITS. I shall name the counties in this debate, because I do not believe that we need to include them in the amendment. For the purposes of legislative history, they are as follows:

Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schuyler, Steuben, Tioga, and Tompkins.

Is this list correct?

Mr. KENNEDY of New York. The Senator is correct.

I have made a study of this proposed legislation, which has been conducted through the Senate with such skill by the Senator from West Virginia [Mr. RANDOLPH]. I am impressed with the amount of good which it will do in the areas of West Virginia, Pennsylvania, and Kentucky. I know that the inclusion of these counties will make a vast difference in areas in the State of New York which suffer from the same kind of problem.

Mr. JAVITS. Are we to assume that the Senator has modified his amendment in accordance with the modification which I have just recited?

The PRESIDING OFFICER. Does the Senator from New York [Mr. KENNEDY] agree to modify his amendment?

Mr. KENNEDY of New York. I do.

The PRESIDING OFFICER. The amendment is so modified.

Mr. JAVITS. If it is acceptable to the Senator, I urge that the Senate adopt the amendment as modified for the reasons set forth, and I thank my colleague for his cooperation.

Mr. RANDOLPH. Mr. President—

The PRESIDING OFFICER. How much time does the Senator from West Virginia yield himself?

Mr. RANDOLPH. Five minutes. I have 6 minutes remaining; do I understand correctly?

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 5 minutes.

Mr. RANDOLPH. Certain counties in the State of New York were originally considered as a part of the Appalachian region, but the State of New York, as was the case with the State of Ohio at a certain point, and also the Commonwealth of Pennsylvania and the State of South Carolina, did not originally certificate themselves for membership in the Appalachian region.

Senators know that last year the Committee on Public Works added six counties in South Carolina. This was done at the request of the Senator from South Carolina [Mr. JOHNSTON] and the Governor of that State.

This section was approved last September in the Senate when it passed S. 2782. This year, the Committee on Public Works added four more counties in the State of Ohio, these counties being added at the direct request of the Governor of Ohio. These counties were, therefore, included in the amendments which were submitted from the committee and which were approved en bloc during the consideration of Senate bill 3.

I believe that the amendment which is before the Senate, as submitted by the Senator from New York [Mr. KENNEDY] and now as modified by his colleague, with the coauthorship of the now pending and modified amendment, does not require specific congressional approval or action. I believe that these counties will be the subject, naturally, of close study by the Commission. Also, it shows that initiative must be taken by the State of New York in responding to the invitation of the Commission in connection with the 13 counties which have been named in debate.

Finally, the amendment as modified would assure that the future inclusion of certain counties in the Appalachian area within New York State will be adopted or added only if a majority of the Commission, after study, would agree that it should be done. Of course, there must be concurrence by a Federal member as well as by the Governors or their representatives in the State.

Therefore, I believe that the interests of other States—and specifically now New York—and the Federal Government seem to be adequately protected in the language as modified by the two Senators from New York, [Mr. JAVITS and Mr. KENNEDY].

Let me reiterate that the amendment does not automatically include the 13 counties of the State of New York. Therefore, personally, I shall vote for the amendment as offered by my colleagues from New York and modified at the suggestion of the Senator from New York [Mr. JAVITS] with the concurrence of the Senator from New York [Mr. KENNEDY].

Mr. JAVITS. The language of the amendment in its operative clause is:

*Provided further, That the Commission may extend an invitation to the State of New York for inclusion of which would further the purposes of the Act.*

The Senator from West Virginia stated that a majority of the Commission must decide that it wishes to extend the invitation, but let me point out that the language may be more restrictive than that.

The PRESIDING OFFICER. The time of the Senator from New York [Mr. JAVITS] has expired.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

The PRESIDING OFFICER. Without objection the Senator from New York may proceed for 1 additional minute.

Mr. JAVITS. The amendment provides that the Commission is authorized and directed to invite the State of New York to participate. I am rather concerned about those words "and directed"

in terms of actually mandating the Commission, whatever the majority of the Commission might think. I raise that point—as I am sure there will be plenty of opportunity to do, and the Senator may have that in mind—so that the legal points may be resolved. What we have in mind is that the Commission shall, by an exercise of its judgment, decide that it does or does not, based upon this study, wish to invite the State of New York.

Mr. RANDOLPH. I believe that is correct. The concern voiced can be taken care of by the Commission.

Mr. JAVITS. One other point is understanding whether the counties named are the maximum counties. I understand that with respect to some of them we have had an opportunity to check this point only briefly. They are counties which were distressed areas but which now have come out of the distressed area status. But by at least fixing the county we are talking about, we do, in a sense, make it a maximum one. There are many more counties in New York State which are eligible for accelerated public works funds and ARA aid.

Mr. RANDOLPH. I thank my colleague.

The PRESIDING OFFICER. The time of the Senator from West Virginia [Mr. RANDOLPH] has expired. The Senator from New York [Mr. KENNEDY] has 4 minutes remaining.

Mr. KENNEDY of New York. I yield time to the Senator from Kentucky [Mr. COOPER].

Mr. COOPER. Mr. President, I have listened with great interest to the colloquy between the two Senators from New York. I must hold to my view that the amendment is not in harmony with the history of the development of the bill. It is certainly not correct to clothe the Commission with general authority to include counties or areas in the bill. It is the prerogative of Congress to do so.

I maintain my position in opposition to the amendment, not without sympathy for the areas affected.

I hope very much that when the bill goes to the House the House will hold hearings on the amendment, at which time the Senator from New York may present his arguments for the inclusion of these counties, and if the House finds proper, it will write an amendment specifically naming the counties which should be included. If that were done, it would satisfy my objections. That would be the proper way to consider the amendment.

I make my statement now for the RECORD, I hope that when the House handles the bill, it will include these counties by name, if it wishes to do so. If it does so, it will be acting on established grounds. I must therefore vote against the amendment.

The PRESIDING OFFICER. Does the Senator from New York yield back the remainder of his time?

Mr. KENNEDY of New York. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senators from New York.

The amendment was agreed to.



Mr. CARLSON. Mr. President, I do not intend to offer an amendment, but I should like to ask unanimous consent that I may proceed for 5 minutes to discuss one phase of the bill which deals with Federal employment and State and local employment.

The PRESIDING OFFICER. Without objection, the Senator may proceed for 5 minutes.

Mr. CARLSON. Mr. President, in the proposal before the Senate at this time, several sections deal with the Federal service, Federal employment, and employment that will be carried out jointly between the States, the Federal Government, and the local communities involved.

I refer to section 101 of the bill. The subject is carried through into section 106.

The bill provides that the Federal Government shall make arrangements with the State governments and local communities in regard to the benefits that the Federal employees are to receive.

Before I go any further, I have the very highest regard for the distinguished Senator from West Virginia [Mr. RANDOLPH]. He and I are members of the Committee on Post Office and Civil Service, where we deal with these matters all the time.

I wish to make the RECORD clear, however, that in establishing these agencies there is always the danger of increasing Federal employment. There is no limitation in the bill as to the number of employees that shall be engaged. I would be less than frank if I did not say that it could not be spelled out specifically. However, problems are involved. I hope that those who administer the program will keep in mind that these funds are for relief and to help people in these counties, and not to set up as large payrolls as possible—Federal or State or local payrolls.

I have discussed this subject with the distinguished Senator from West Virginia. I wonder if he has any comment to make.

Mr. RANDOLPH. Mr. President, I am very glad that the Senator from Kansas, with whom I have the privilege of serving on the Committee on Post Office and Civil Service, has brought up the matter of the operation of the Commission.

The proposed legislation would establish one of the most favorable ratios of administrative expenses to program funds that I have seen in any major legislation. It would authorize \$1.1 million for administrative expenses of the Commission to oversee a program of \$1,092 million. Thus the administrative costs will be only one-tenth of 1 percent of the total authorized. I feel that that consideration is worthy of the attention of the Senate at this time. The cochairman would receive not more than \$27,000 in annual salary. The executive director would receive not more than \$24,500 a year; presumably there would be a general counsel at a GS-17 rating; and the designated representatives of the States in question would be paid at the rates established by those States.

Mr. CARLSON. Mr. President, I expected exactly the response that the

chairman of the committee has made. He and I have been working on civil service matters for many years and have been concerned about a situation that may develop. I bring this up because situations like this have developed in the past, though I do not say it will develop with the new agency that is proposed to be established. It has developed in connection with the poverty program. I have before me an article published in the Kansas City Times of last Saturday morning. Kansas City had received \$500,000 for the program. I read the first sentence of the article entitled "Poverty Group Stirs Council":

Costs of \$100,000 a year for local coordination of the Federal poverty program set off a city council wrangle yesterday that centered on paying staff salaries up to \$31,250 a year.

Quoting further from the article:

TWENTY-FIVE THOUSAND DOLLARS TO DIRECTOR

Under the proposed budget, a director would be paid from \$25,000 to \$31,250 and an assistant director could be paid from \$15,000 to \$18,750. Two stenographers would receive \$6,000 and \$5,000 a year.

In addition, \$59,335 would go to a consulting agency to aid coordination and research poverty projects.

Two members of the consulting staff would be paid \$15,000 and \$12,000 a year and a stenographer would receive \$4,000.

I mention this because that is a danger connected with these programs, when we set them up without any limitations or strings attached to them. Here is a half-million-dollar program, of which \$100,000 will be paid to Federal employees.

I hope that in connection with the program in Appalachia, which I believe to be the beginning of a large number of regional programs, some attention will be paid to this subject.

The PRESIDING OFFICER. (Mr. BASS in the chair). The bill is open to further amendment.

Mr. COOPER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT NO. 8

Mr. McCLELLAN. Mr. President, for myself and on behalf of my colleague from Arkansas [Mr. FULBRIGHT] and the Senator from Oklahoma [Mr. HARRIS] I call up my amendment No. 8. I ask that it not be read, but that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD.

The amendment ordered to be printed in the RECORD is as follows:

On page 1 strike out lines 3 and 4 and insert in lieu thereof the following:

#### "CHAPTER 1—APPALACHIAN REGIONAL DEVELOPMENT

##### "Short title

"SECTION 1. This chapter may be cited as the 'Appalachian Regional Development Act of 1965', and all references in this chapter to

the words 'this Act' shall be held to refer to 'this chapter.'"

At the end of the bill add the following new chapter:

#### "CHAPTER 2—OZARK REGIONAL DEVELOPMENT

##### "Title V—Short title and statement of purpose

##### "Short Title

"SEC. 501. This chapter may be cited as the 'Ozark Regional Development Act of 1965'.

##### "Findings and Statement of Purpose

"SEC. 502. As a result of changes in the nature of its resource base and changing requirements of the national economy, the Ozark region of the United States lags behind the Nation in its economic growth, and its people have not shared properly in the Nation's prosperity. The region's historical reliance on a few basic industries and marginal agriculture have failed to provide the economic base necessary for self-sustaining growth. In some cases the uneven distribution of productive Federal expenditures has left the region at a comparative disadvantage. Nonetheless, the State and local governments and the people of the region understand their problems and have been and are prepared to work purposefully toward their solution. It is the purpose of this chapter to assist the region in meeting its special problems and promoting its economic development by helping to develop policies and programs for Federal, State, and local efforts essential to growth on a coordinated and concerted basis.

##### "Title VI—The Ozark Development Commission

##### "Membership and Voting

"SEC. 601. (a) The Ozark Development Commission (referred to as the 'Commission') shall be composed of seven members, appointed by the President by and with the advice and consent of the Senate, as follows: Three members appointed, one from each participating State, from among one or more nominees by the Governor of such State; three members appointed, one from each participating State; and one member appointed at the discretion of the President who shall serve as Chairman and full-time executive officer of the Commission.

"(b) Decisions by the Commission, unless delegated to the Chairman, shall require the affirmative vote of the Chairman and three other members.

"(c) The Chairman shall be compensated at the rate prescribed for level IV of the Federal Executive Salary Schedule established by the Federal Executive Salary Act of 1964. There shall be a Deputy Chairman appointed by the Chairman with the approval of the Commission, who shall serve as his alternate and who shall be compensated at the rate prescribed for grade 18 of the General Schedule of the Classification Act of 1949, and when not serving as an alternate for the Chairman shall perform such duties as are delegated to him by the Chairman. Other members of the Commission shall receive compensation at a rate of \$75 per diem for each day on which they are engaged in the performance of duties of the Commission, and shall be reimbursed by the Commission for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

##### "Functions of the Commission

"SEC. 602. In carrying out the purposes of this chapter the Commission shall—

"(1) develop, on a continuing basis, comprehensive and coordinated plans and programs, including those for land use and public works, and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

"(2) conduct and sponsor investigations, research, and studies, including where necessary, inventory and analysis of the resources of the region and, in cooperation with Fed-



eral, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

"(3) prepare detailed plans, in cooperation with the Secretary of Commerce, for scenic highways in the region to include planning for the development of recreational sites in such region;

"(4) make grants for graduate fellowships to encourage students in the areas of community and resource development and planning and such other areas of study as the Commission deems will carry out the purposes of this chapter;

"(5) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region and assist in their financing;

"(6) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation;

"(7) support existing local development districts and encourage their formation where needed and make grants for professional and technical assistance to such local development districts as are certified by the Commission;

"(8) encourage private investment in industrial, commercial, and recreational projects;

"(9) serve as a focal point and coordinating unit for Federal, State, and local programs in the region;

"(10) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences;

"(11) designate such other counties in the States of Arkansas, Missouri, and Oklahoma as part of the Ozark region for the purposes of this chapter as the Commission determines necessary to carry out the purposes of this chapter; and

"(12) recommend to the President for transmittal to the Congress a program of development projects with proposals for Federal participation in their funding as the Commission deems warranted by the studies begun under this chapter.

#### "Administrative Powers of the Commission

"Sec. 603. To carry out its duties under this chapter, the Commission is authorized to—

"(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions;

"(2) appoint and fix the compensation of such personnel as may be necessary to enable the Authority to carry out its functions, in accordance with the civil service laws of the Classification Act of 1949;

"(3) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the Commission such personnel within his administrative jurisdiction as the Commission may need for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status;

"(4) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency;

"(5) accept, use, and dispose of gifts or donations of services or property, real, personal, or mixed, tangible or intangible;

"(6) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumen-

talities thereof, or with any person, firm, association, or corporation;

"(7) establish a permanent office at such location as it may select and field offices at such other places as it may deem appropriate; and

"(8) take such other actions and incur such other expenses as may be necessary or appropriate.

#### "Title VII—Miscellaneous

##### "Authorization of Appropriations

"SEC. 701. There is hereby authorized to be appropriated for the period ending June 30, 1966, not to exceed \$7,500,000 to carry out this chapter, and for fiscal years thereafter such amounts as the Congress shall hereafter authorize.

##### "Local Development Districts: Certification

"SEC. 702. For the purpose of this chapter, a 'local development district' shall be an entity certified to the Commission either by the Governor of the State or States in which such entity is located, or by the State officer designated by the appropriate State law to make such certification, as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region. No entity shall be certified as a local development district for the purposes of this chapter unless it is one of the following:

"(1) A nonprofit incorporated body organized or chartered under the law of the State in which it is located;

"(2) A nonprofit agency or instrumentality of a State or local government;

"(3) A nonprofit agency or instrumentality created through an interstate compact; or

"(4) A nonprofit association or combination such bodies, agencies, and instrumentalities.

##### "Annual Report

"SEC. 703. Not later than six months after the close of each fiscal year, the Commission shall prepare and submit to the Governor of each State in the region and to the President, for transmittal to the Congress, a report on the activities carried out under this chapter during such year.

##### "Consent of States

"SEC. 704. Nothing contained in this chapter shall be interpreted as requiring any State to engage in or accept any program under this chapter without its consent.

##### "Definition of Ozark Region

"SEC. 705. As used in this chapter, the term 'Ozark region' or 'the region' means that area of the United States consisting of the following counties (including any political subdivision located within such area):

"In Arkansas—Benton, Crawford, Madison, Johnson, Boone, Searcy, Polk, Stone, Baxter, Sharp, Randolph, Washington, Franklin, Carroll, Newton, Marion, Van Buren, Cleburne, Izard, Fulton, Independence;

"In Missouri—Cooper, Cedar, Newton, Stone, Greene, Camden, Cole, Benton, Dade, McDonald, Taney, Polk, Morgan, Miller, Hickory, Lawrence, Barry, Christian, Dallas, Moniteau, Osage, Maries, Laclede, Douglas, Carter, Phelps, Webster, Ozark, Ripley, Shannon, Pulaski, Wright, Howell Butler, Wayne;

"In Oklahoma—Bryan, Delaware, Adair, Cherokee, Sequoyah, Haskell, Latimer, Le Flore, Pushmataha, McCurtain, Choctaw, Atoka, Coal, Hughes, Johnston, Love, McIntosh, Okfuskee, Muskogee;

"Such other counties in such States as are designated by the Commission under section 602."

Amend the title so as to read: "A bill to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region and to provide the planning and coordination needed to assist the economic development of the Ozark region."

Mr. McCLELLAN. Mr. President, I yield myself 5 minutes.

This amendment to the Appalachia bill would provide assistance for the Ozark region. The natural beauty of Arkansas is hardly surpassed by that of any other State in the Union. Naturally, this is a constant source of pride to all the people of Arkansas.

Arkansas also is enjoying great prosperity, as is the Nation generally. But the fact remains that some areas of Arkansas, and also of the Ozark region in our neighboring States of Missouri and Oklahoma, lag behind the rest of the country in economic development. This lag is not due to any lack of spirit or determination on the part of the people in the area but, rather, appears to be one of the unfortunate circumstances of our economic life.

In the pending bill, the administration and Congress appear bent on doing something about lagging economic growth. But we seem to be a little nearsighted in that in approaching this problem the pending measure seeks only to look after one spot that needs this kind of legislative attention, namely, the Appalachian area. I have read the economic statistics on Appalachia, but I have also lived with the economic facts of life in Ozarks. So perhaps I can appreciate the conditions prevailing there a little better than I can those in the Appalachian area.

I remind the Senate that in Arkansas we have our pockets of poverty, too. We have families earning less than \$3,000 a year. We have some unemployment. We have people whose education is wanting, as does the area in the section of our country that the pending bill seeks to aid. I cite these facts not to receive sympathy, although I can and do sympathize with those who have similar problems. I cite them to invite the attention of the Senate to the fact that the problems of Appalachia are not peculiar to that area alone. Our section of the country has like conditions and like problems. If the Senate deems it to be a Federal responsibility to enact legislation to bolster the lagging economy in one area, it should see to it that such legislation is applied to another, similarly situated area like the Ozarks, and the bill should be amended accordingly. That is what the pending amendment seeks to do.

I am aware that the Committee on Public Works has introduced a new bill to authorize the President to establish commissions to aid in the development of other regional areas which suffer from a lack of economic growth. I also understand that the Ozark region will probably qualify under the terms of that bill. Therefore, I assume that the Senate will be asked to pass the Appalachia bill now, and that when it is out of the way we shall attend to the economic problems of other sections of the country, including the Ozarks.

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired.

Mr. McCLELLAN. I yield myself 2 additional minutes.

Mr. President, I have a better idea. Let us amend the Appalachia bill so as to take care of the Ozarks, as is proposed



by the pending amendment, before we pass the bill. Or let us send the whole package back to the Committee on Public Works with instructions to report the bill back to the Senate with adequate provisions to assist other sections of the country which have comparable situations, although they may not be so extensive as those that prevail in the Appalachian region.

Mr. President, I submit that the problem in some areas of the Ozarks is no less compelling than it is in some sections of Appalachia.

Mr. President, surely our State, our people, and those of the entire Ozark region are no less deserving.

My distinguished colleague the junior Senator from Arkansas [Mr. FULBRIGHT], who is necessarily absent today, has joined with me as a cosponsor of this amendment. So has the distinguished junior Senator from Oklahoma [Mr. HARRIS].

Mr. President, I should now like to yield the remainder of my time to the distinguished junior Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 3 minutes.

Mr. HARRIS. Mr. President, I appreciate the work that has been done concerning the needs for regional development in the Ozark region by the distinguished senior Senator from Arkansas [Mr. McCLELLAN].

I appreciate the opportunity to join with him in bringing the great needs of that area to the attention of the administration, the Senate, and the country.

I appreciate also the understanding of the senior Senator from West Virginia of the problems of other areas throughout the country, and his interest in the development of other areas, and particularly the Ozark region. The Senator from West Virginia has done an outstanding job for his own general area, for those 11 States involved in the program, and for the country as a whole, in bringing the great needs of the people of that area to the attention of the country in a dramatic way, by means of initiating a pilot study which I hope will spread to other areas of the country, in an effort to see that the people of the country who are in poverty in a time of prosperity are not ignored, but that this Government endeavor in helping in a spirit of sympathy, understanding, and assistance to bring together the resources of local, State, Federal, and private institutions, and individuals, in a cooperative way to see that their needs are met.

Mr. President, I am proud to be a member of the Committee on Public Works under the leadership of the distinguished senior Senator from Michigan [Mr. McNAMARA], who, together with the distinguished majority leader, the senior Senator from Montana [Mr. MANSFIELD], has worked toward arriving at some means by which the needs of other areas of the country may be recognized and met.

I join in this amendment as a means of bringing the needs of this area to the

attention of all those concerned. I cite briefly the fact that in eastern Oklahoma, as is true also in western Arkansas, there are 18 counties in which more than 50 percent of the families have annual family incomes of less than \$3,000.

There are six counties in eastern Oklahoma, in which more than 60 percent of the families have less than \$3,000 annual income.

These are needs that we must meet, as we are now meeting them in the Appalachian region.

I heartily join in the proposal of the distinguished senior Senator from Arkansas.

The PRESIDING OFFICER. The Senator from West Virginia is recognized. How much time does the Senator yield to himself?

Mr. RANDOLPH. Mr. President, I yield myself 5 minutes.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that I may modify my amendment by inserting on page 10, line 6, at the end of the line, and after the semicolon:

Strike out the semicolon and insert the word "Pittsburgh";.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. RANDOLPH. Mr. President, West Virginia and Arkansas were the only two States of the Republic which suffered a loss of population in the years from 1950 to 1960. West Virginia lost its population during that period at an approximate rate of 7.6 percent. The rate of loss in Arkansas was only slightly less.

I cite these figures to indicate the seriousness of the problem which is presented by the distinguished senior Senator from Arkansas, ably assisted in his presentation today by the capable junior Senator from Oklahoma. In so doing, however, I must indicate that with respect to the area contemplated for special attention—I do not call it preferential treatment in that area or any other area where the need is spelled out—the purpose of the Senators from Arkansas and the junior Senator from Oklahoma would be well served by allowing this problem to be presented to the Committee on Public Works within the framework of the legislation which has been introduced by the distinguished chairman of the Committee on Public Works, which proposed legislation is now cosponsored by 23 other Senators.

We hope before S. 812 has been referred to the committee by the Senate that 30 or 35 Senators will have cosponsored the measure.

I say to the distinguished senior Senator from Arkansas that the case can be made, and a partial case has already been made. But I would remind those who would propose this amendment that the Appalachian program has been under study and consideration for more than 4½ years. The study brought into being the effort which finally culminated in Senate 2782 being brought before this

body last fall, and again in Senate bill 3 this year.

The Senator from Missouri [Mr. SYMINGTON] referred in his remarks earlier today to the needs that exist in the Ozark region and to the problem which we shall have within the Committee on Public Works. With assurance from the administration—which was given earlier in debate by the distinguished majority leader—these problems will be addressed by the Congress at an early date.

I would hope that with this assurance, the amendment would not actually be pressed to a vote. I am thinking in terms of the presentation having been adequate. But it would be better—since the Appalachian bill was the result of more than 4 years of study—to allow the measure introduced by Senator McNAMARA to be taken up within a very short time.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. McCLELLAN. The Senator can recognize, I am sure, the awkward, and perhaps untenable position that some of us are placed in with respect to legislation as this.

The Senator pointed out that in my State for a number of years, as in his State, we lost population. We did have some problems.

I am happy to report, however, that that trend now is reversed. In the last 3, 4, or 5 years, my State has been gaining population.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. RANDOLPH. Mr. President, may I be permitted 2 additional minutes? I should like for the able Senator from Arkansas to have time to complete his discussion.

The PRESIDING OFFICER. The Senator is recognized for an additional 2 minutes.

Mr. McCLELLAN. Our economic condition is improving. Compared with the other States of the Union, the economic conditions in our State are very favorable today. But if it is the responsibility of the Federal Government to go into any area of a State, or region of a State, or parts of regions of a State, and institute a program of this character, I must insist that, if I support such legislation, other sections of the country should not be ignored wherever those conditions prevail anywhere under the jurisdiction of our Government. My belief is that those areas should be included.

It is somewhat comforting to have the assurance that we are going to look into other areas, but it does not satisfy my idea of how these matters should be authorized. It should be done on a national basis, instead of on a regional basis.

I thank the distinguished Senator for yielding.

Mr. RANDOLPH. Mr. President, for just 1 minute I shall conclude by indicating, as has been stated often during the debate, that the idea of an Appalachia Regional Commission was not conceived in Washington, but was developed in the States of the Appalachian region by the Governors of those States,



and the request was made for the assistance of the Federal Government by those jurisdictions. President Kennedy, and, at the present time, President Johnson, have brought forward the partnerships, as it were, between the Federal Government and the States involved. This is for the purpose of bringing into being a more wholesome climate for economic growth than previously had been possible.

The PRESIDING OFFICER. The time of the Senator from West Virginia has expired.

Mr. RANDOLPH. I yield myself 1 more minute.

Mr. President, I am ready for a vote. I hope the Senator will not press for a yea-and-nay vote. However, I will understand, if he wishes to do so.

Mr. McCLELLAN. Mr. President, I shall not ask for a yea-and-nay vote, but I think the amendment has been presented and should be voted on.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas, as modified.

Mr. McNAMARA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McNAMARA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does the Senator from West Virginia yield back the remainder of his time?

Mr. RANDOLPH. I do.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas [Mr. McCLELLAN], as modified.

The amendment was rejected.

#### AMENDMENT NO. 10

Mr. LONG of Louisiana. Mr. President, I call up my amendment, identified as No. 10.

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana will be stated.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to dispense with its reading and that the amendment be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (amendment No. 10) offered by Mr. Long of Louisiana is as follows:

On page 36, between lines 2 and 3, insert the following new subsection:

"(c) No part of any appropriated funds may be expended pursuant to authorization given by this Act involving any scientific or technological research or development activity unless such expenditure is conditioned upon provisions effective to insure that all information, copyrights, uses, processes, patents, and other developments resulting from that activity will be made freely available to the general public. Nothing contained in this subsection shall deprive the owner of any background patent relating to any such activity, without his consent, of any right which that owner may have under that patent. Whenever any information, copyright, use, process, patent or development resulting from any such research or develop-

ment activity conducted in whole or in part with appropriated funds expended under authorization of this Act is withheld or disposed of by any person, organization, or agency in contravention of the provisions of this subsection, the Attorney General shall institute, upon his own motion or upon request made by any person having knowledge of pertinent facts, an action for the enforcement of the provisions of this subsection in the district court of the United States for any judicial district in which any defendant resides, is found, or has a place of business. Such court shall have jurisdiction to hear and determine such action, and to enter therein such orders and decrees as it shall determine to be required to carry into effect fully the provisions of this subsection. Process of the district court for any judicial district in any action instituted under this subsection may be served in any other judicial district of the United States by the United States marshal thereof. Whenever it appears to the court in which any such action is pending that other parties should be brought before the court in such action, the court may cause such other parties to be summoned from any judicial district of the United States."

Mr. LONG of Louisiana. Mr. President, this amendment was drafted to apply to the bill as introduced.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. LONG of Louisiana. How much have I?

The PRESIDING OFFICER. The Senator has 10 minutes.

Mr. LONG of Louisiana. I yield myself 5 minutes.

This amendment was originally keyed to the bill as introduced, and therefore it should be modified to read as follows:

On page 40, between lines 10 and 11, insert the following new subsection:

And the subsection should be renumbered (d).

I wish to modify my amendment accordingly.

The PRESIDING OFFICER. The amendment will be modified accordingly.

Mr. LONG of Louisiana. Mr. President, my amendment presents identically the same principle, and I believe in identical language, as contained in a similar amendment on which the Senate voted last week, which had to do with assuring that research and development paid for with Federal money under research and development authorized by the bill will be available to all the people.

I do not know whether or not, in using \$5½ million of Federal money, something might be developed that would aid other parts of the country; but in the event it should be, it would be fair to see to it that this information would be freely available for the benefit of all the people.

I was happy to note that the Senator in charge of the bill voted for my amendment when I offered it to the water pollution bill, supporting the same position, which he has consistently supported, that when the Federal Government spends money for research and development programs, the benefits of the research should go to all 180 million people of this country and protect ourselves from the possibility that a contractor would undertake to secure patent rights for himself on such information and exercise

patent rights to deny the public free use of that which it paid to develop. The benefits of such research should be available freely and generally to all the citizens of the country.

My understanding was that the distinguished manager of the bill was in support of the amendment when I discussed the matter last week. I hoped the amendment could be agreed to. Of course, if there is serious opposition to it and a Senator insists on having a roll-call, I shall be happy and agreeable to having the amendment go to a yea-and-nay vote.

The PRESIDING OFFICER. Who yields time?

Mr. COOPER. I yield 5 minutes to the Senator from Massachusetts [Mr. SALTONSTALL].

Mr. RANDOLPH. Mr. President, I yield 5 minutes to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, I thank the two leaders.

I am under no illusions that the Senate will oppose this amendment, because a similar one was adopted the other day. However, there are a few fundamental thoughts which I would like to express concerning the whole question of patent rights under Government research and development contracts.

I am against the amendment. This is a subject which concerns the proper disposition of patent rights to inventions, uses, processes and other information realized under Government research and development contracts.

A right has both legal and moral import. Applied to this subject, I think it proper to say that it denotes something to which one has a just claim as the power or privilege to which one is justly entitled. Proper protection of these rights as they relate to Government research and development contracts can be made only upon analysis of facts applicable to specific contracts. They cannot be assured if based upon prior general conclusions applicable regardless of the circumstances surrounding a particular contract.

This amendment would preclude a contractor from receiving any proprietary rights to information, copyrights, uses, processes, patents and other developments realized from research and development contracts awarded by the Government under the Appalachia program. This absolute prohibition is imposed regardless of the amount of Federal funds involved under a contract. I do not regard this approach as equitable or reasonable.

There is considerable authority both within and without the Government which rejects the proposition that the answer to proper disposition of patent rights under Government research and development contracts can be found either in an absolute title policy or an all license policy on the part of the Government. Illustrative of this is the statement on Government patent policy promulgated by the late President Kennedy in October 1963. There are statutes which contain patent clauses providing for waiver of title to the Government in cases where certain conditions exist and



equity requires that waiver be granted under a particular contract.

The President's statement and these statutes reject a policy that would prevent a contractor from ever receiving patent rights under Government research and development contracts. Even in those cases where the Government reserves the right to take title to all inventions realized under these contracts, provision is made for Government waiver of title in behalf of the contractor. Under this arrangement, the Government will retain an irrevocable, nonexclusive, nontransferable royalty-free license. Yet, the amendment under consideration contains no such provision.

The distinguished junior Senator from Louisiana and others have recognized the need for legislation to establish a defined Government patent policy. I, too, have introduced legislation during the last as well as in the present Congress which seeks to accomplish this purpose.

To interpolate, I was a member of the Armed Services Committee when we were working out this provision for the Department of Defense. I also worked with the present occupant of the White House, President Lyndon Johnson, on the NASA patent proposal when he brought out that bill.

These bills differ; so, I believe, do the opinions of many Senators concerning this subject. However, the very existence of these differing views confirms the need for hearings by the Senate Judiciary Committee which will give due and careful consideration to this complex subject. We should not be asked by the simple expedient of an amendment to dispose in advance of all rights to any inventions which may be realized under Government research and development contracts awarded under the Appalachia program.

It is not unrealistic to assume that each research and development contract entered into under this program may vary as to the amount of Government financial involvement compared to funds obligated by a contractor or others. There may well be other compelling factors such as background experience, technical know-how and competence which should be considered. I suggest that these are factors to be weighed and considered under each research and development contract. They should not be ignored which would be the case if this amendment is adopted.

I ask that the amendment be defeated and express the hope that the entire subject with which it deals be considered fully by the appropriate committee.

I realize the Senator from Louisiana states that when final legislation concerning this subject is enacted, that amendments such as the one which he now offers will be subject to that legislation. However, the more we attempt the approach taken by this amendment—and there are numerous other instances—the more difficult it becomes to obtain final legislation.

These are the reasons why I oppose the amendment.

Mr. LONG of Louisiana. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The

Senator from Louisiana has 8 minutes remaining.

Mr. LONG of Louisiana. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

Mr. LONG of Louisiana. Mr. President, whether we like it or not, experience under Government patent policies has been that where the Government agency handling the money is left with discretion to spend its research money, almost without exception it uses its powers as an agency to give away the rights of 180 million people to a handful of contractors.

In some instances, we find that this has resulted in a complete rape of the public interest, where those rights have been given away.

For example, the Department of Defense has no statute telling it what to do in research. Here are two studies made by the General Accounting Office, one of them on Lockheed Corp., which is a major contractor for defense, and the other the Thompson Ramo Wooldridge which is also a major contractor for the Defense Department.

What do we find?

In both instances, these contractors get literally hundreds of millions of dollars of Government money, and they have been withholding the information which the contracts themselves required them to divulge. They have been withholding it in the hope of making even greater profits than the contracts contemplate.

Not only do they hope to get the patents, but also in order to get the patents on Government research, they are not telling the Government what they are discovering under these Government contracts. But these two contractors have been withholding what they have been finding on Government research for as long as 4 long years. In some instances, they have not divulged some information at all.

The knowledge of these discoveries is needed by Government, in our race to excel our adversaries in space and defense. This is a familiar example of what has happened when the Government's authority has the power to give away patent rights to these individuals. In other cases, we have had so-called flexibility. NASA had some flexibility where they could give patent rights if the administrator found it in the public interest. What did they do? They just gave them all away. So far as flexibility and discretion which they are supposed to exercise, they wound up, notwithstanding the memorandum to which the Senator from Massachusetts [Mr. SALTONSTALL] has just referred, with giving away all the rights contracted without even knowing what rights they were giving away.

We have laws in other fields that keep this kind of thing from happening. We have such a law in the Atomic Energy Commission, where we are ahead of the Russians. We have such laws that bind the Department of Agriculture in its research, where we are so far ahead of the Russians that they cannot even catch up with our aid because the research

programs have been so good. This is because we do not give away private patent rights on research.

Where we are behind is in those areas where we have this withholding of information, where we have these people who are encouraged in the hope of making gigantic profits from the taxpayers and the consumers, and by virtue of which hopes they are holding out the information when it is developed and should be available to all the American people so it can be put to use by all scientists in moving to the next frontier of knowledge.

The incentive for people to have private patents historically was the incentive to spend their own money. But, in this instance, we are providing the incentive with the Government's money. This research should be developed for the benefit of the taxpayers. They should be entitled to the benefit that flows from free and full use of the information rather than to have it under these private patents where the contractor can deny the use of the information to the public for 17 long years.

Mr. SALTONSTALL. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. Let me finish my statement, and I shall be glad to yield to the Senator from Massachusetts.

The Department of Agriculture, TVA, the Atomic Energy Commission are bound by such laws as I advocate. Just in the last two Congresses we insisted on such provisions on the Coal Research and Development Act. We did the same on the helium gas, saline water, the disarmament bill, the mass transit bill. We did it on the water resources bill, and this year also on the Water Pollution Control Act.

So this is the position that the Senate has repeatedly taken. It is perfectly correct to vote it on this bill. This is an issue of principle, of whether to spend this money for the benefit of certain private interests or whether we want the Government's money, which is spent by the millions, and in some cases by the billions, to be directed to the benefit of all citizens who are paying taxes.

To me it is a simple issue.

Where this discretionary power has been available, in almost all cases, the rights have been given away without even knowing what was being given away.

In any event, the person actually doing the research has the same incentive. He is not going to get the patent rights. He is a scientist, or an engineer working for a contractor. But in this instance, we wind up with the Government not knowing what the patent rights are it is giving away, and contractors are withholding information on some problems which could result in quicker exploration of space and also in lower costs for new products.

Where this research has been under the Department of Agriculture, under TVA, the Atomic Energy Commission, or the Federal Aviation Agency, where research has been developed without private patent rights, we have had outstanding success, not the sort of corruption I have just pointed out to the Senate.

Mr. SALTONSTALL. Let me say to the Senator from Louisiana, as I listen



to him, that in those instances where the Government pays for all the research performed under a research and development contract, the Government should receive rights to that which is developed under the contract. I believe, however, that the Senator from Louisiana is weak in his argument that disposition of rights under these contracts can be made before a contract is negotiated. It is only when the contract is let that the parties can know what they are entitled to receive.

Second, we must have—

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. SALTONSTALL. Will the Senator from Louisiana yield to me for 1 minute?

Mr. LONG of Louisiana. I yield 1 minute to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 1 additional minute.

Mr. SALTONSTALL. The other point I make is that it is in the national interest to insure that the best qualified sources are used to perform Government research and development contracts. If we remove all incentive by providing that no rights of any character shall be given to their inventiveness, we limit the opportunity of the Government to establish new facilities and research efforts which will be for the advantage and benefit of all of us. We must have a patent policy, but I do not believe it can be done through this amendment nor the amendment offered to the water pollution bill.

Mr. LONG of Louisiana. Where the Government has not given private patents on Government research, we have had outstanding success with the research program. The areas where failure and downright corruption has existed has been in those areas where companies get these big contracts and try to keep the patent rights and withhold the information which should be available for 180 million people.

Our experience has been that, whether we like it or not, we shall get it one way or another. We shall either get the benefits for the 180 million people of our country, or we shall get the kind of conditions that I have been trying to point out on the floor of the Senate for some time.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

The Senator from Kentucky has 4 minutes remaining.

Mr. COOPER. I yield 1 minute to the Senator from Massachusetts.

Mr. SALTONSTALL. I thank the Senator from Kentucky. I ask the junior Senator from Louisiana whether he does not agree with me that a firm, clear, overall policy with respect to patents, particularly where the Federal Government is putting money into research—and we know it is putting up approximately \$12 billion a year for that purpose—would be desirable. There should be an overall, clear policy established

between the people who invent and the Government, so that we may establish a clear policy, and not proceed with the kind of catch-all endeavor that is being attempted here.

Mr. LONG of Louisiana. I would like to see a policy established whereby the Government would not permit private patents to be obtained on research paid for by all the people.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Kentucky has 3 minutes remaining. Does the Senator from Kentucky yield back the remainder of his time?

Mr. COOPER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. Long], as modified.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. RANDOLPH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I ask unanimous consent that I may be permitted out of order, to introduce some bills and make comments.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair would like to inquire of the Senator from Idaho how much time he is yielding to himself.

Mr. CHURCH. I should like to speak for 10 minutes. I believe that will be sufficient.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### STRENGTHENING THE PEACEKEEPING WORK OF THE UNITED NATIONS

Mr. CHURCH. Mr. President, as Members of the Senate are aware, President Johnson has proposed that 1965—which the United Nations has officially designated as "International Cooperation Year"—should be dedicated not only to the pursuit of peace but also to new forms of cooperation to promote the welfare of nations that "bypass the politics of the cold war."

The culmination of the U.S. celebration of International Cooperation Year will be a White House conference to be held next fall in which distinguished private citizens from many walks of life will present practical proposals not only on arms control and peacekeeping but also on economic and technical cooperation.

In this connection, I should like to call the attention of Members of the Senate to a new book, "In Pursuit of World Order: U.S. Foreign Policy and Interna-

tional Organizations," which was written especially for International Cooperation Year by Richard N. Gardner, Deputy Assistant Secretary of State for International Organization Affairs. It offers the American citizen a factual and up-to-date account of the problems and possibilities which the U.S. Government faces in strengthening the peacekeeping work of the United Nations and in the related areas of world law, outer space, trade and aid, human rights, and the population explosion.

Ambassador Adlai Stevenson calls this "a lively and important book for everybody interested in the practical problems of peace in the nuclear age."

I wholeheartedly agree. Perhaps the best introduction to the book is the eloquent foreword written by Harlan Cleveland, Assistant Secretary of State for International Organization Affairs. I ask unanimous consent that Cleveland's remarks may appear at this point in the RECORD:

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

#### FOREWORD OF HARLAN CLEVELAND TO "IN PURSUIT OF WORLD ORDER"

In every time and culture, men have perceived the need to build institutions of cooperation, for safety and for the advancement of the interests they share. But only in our time has this urge become global in extent—witness the fact that 1965 is being celebrated the world over as International Cooperation Year. No one who reads this book can doubt that there is already plenty of international cooperation to have a year about.

The trouble is that the thunder and tumult of the cold war has obscured a great spurt in international cooperation in the years since World War II. The polemics of a bipolar world and the awful reality of the nuclear arms race have hidden the foundations of the rising international community. And the notion persists that agreement or disagreement among nations at any given time is total—that you cannot hold opposing views on subject A and simultaneously cooperate on subject B.

This, of course, is nonsense, and the proof can be found between the covers of this book—or wherever else you look. We disagree with the Soviet Union, for example, on Berlin, Vietnam, and Cuba. But, at the same time, we cooperate with the Soviet Union in cultural exchange programs, in allocating radio frequencies, in forecasting the weather, in fighting disease, in studying the oceans, and in dozens of other technical ways. We even cooperate, where we can, on the peaceful settlement of our own and other people's disputes.

International cooperation for survival and welfare has become a plain necessity. An increasing number of subjects of importance to our Nation can only be dealt with on a world basis. If you like long words, you can call this the technological imperative. Or you can simply repeat the truism—which is every day more true—that it's a small world.

Someone recently put it even better. He defined a "typical American" as a fellow who has just driven home from an Italian movie in his German car, who sits on his Danish furniture drinking Brazilian coffee out of an English china cup, writing a letter on Irish linen paper with a Japanese ballpoint pen—a letter complaining to his Congressman about too much American gold going overseas.



The technological imperative, the need to build worldwide technical agencies, stems, of course, from the headlong pace of scientific discovery. Every time that science chalks up another success, a new demand is created for a new institution to tame or exploit the new accomplishment. More and more frequently, it is an international institution. Whenever the scientists achieve a breakthrough in what can be done by man for man, it suddenly seems outrageous not to be channeling the new power that new knowledge confers upon us.

Before we knew how to commit mass murder among the mosquitoes that carry malaria, nobody thought of eradicating malaria from the face of the earth because it couldn't be done. Now that we know it can be done, we are well on our way to the doing of it—even if the task is proving somewhat longer, and the insects more resistant to our attempts to poison them, than scientists thought when they proudly swept every *Anopheles* mosquito from the island of Sardinia just after World War II.

Before there was radio, we did not need large international conferences to divide up the frequency spectrum. Before there were airplanes flying across frontiers and oceans, we did not need an International Civil Aviation Organization. We are used to the idea that necessity is the mother of invention. But in the technology of international relations, the reverse applies as well: Invention is the mother of necessity.

Nowadays, Congress and the rest of us take international organizations, and the conferences they spawn, as part of a familiar landscape. The United States belongs today to 53 international organizations. We contribute more than a third of a billion dollars to them and to 22 international operating programs, mostly sponsored by these same organizations—and that does not count the activities of international lending agencies. In the past 2 years, the United States has participated in more international conferences than we attended in our entire history from the founding of the Republic to the beginning of World War II.

International organizations exist simply because they are needed; we belong to them simply because it serves our national interest to belong—and because it would damage our national interest to remain aloof. So while nations cling to national sovereignties and national purposes, science is creating a functional international community whether anyone likes it or not.

It is certainly good that, within the frontiers of special areas like agriculture, health, or the physical sciences, we are beginning to demonstrate that men can get along with each other without an intolerable amount of friction and confusion, just as we are beginning to demonstrate within the frontiers of nations that men can get along with each other without an intolerable amount of bloodshed. It is good that scientists can "speak the same language," even through an interpreter; that physicians can cooperate with each other in a global war on disease; that farmers can teach each other how to get higher yields without politics getting too much in the way.

All this is good, but it is not enough. The spawning of new technologies is not always of necessarily beneficent. The technology of nuclear fission and fusion can provide electric power for national development; it can also incinerate all life in the Northern Hemisphere.

The parochialism of each major field of knowledge is not necessarily an improvement on the more familiar parochialism of nation-states, unless the demonstration that experts can work with each other on food and health leads in fact to nations working with each other to keep the general peace.

A civilization that guarantees people enough to eat and a longer life—and then exposes them to lethal radioactivity—is not

moving onward and upward. It is moving sideways toward a precipice. If a workable pattern of peace must be constructed patiently by building first its component parts, the parts must in the end add up to international organizations that work for peace and freedom as well as health and welfare.

Beyond the technological imperative, therefore, is a political imperative. It stems from our basic value-system: the kind of safe and open world we want to live in, the kinds of rights and opportunities we want to see secured to every human being. So we naturally are working toward a world of peaceful change under a system of order based on consent in which cooperation is an international way of life. Our belief in diversity and our need for safety together define the goal of American foreign policy: "to make the world safe for diversity."

The first requirement of a foreign policy so defined is to avoid the cataclysm of nuclear war. That is why the administrations of John Kennedy and Lyndon Johnson have invested so much presidential time and attention on the attempt to wrap the new-born weaponry of fission and fusion in the swaddling clothes of social constraint and political responsibility.

The United States, the Soviet Union, and the United Kingdom—joined now by nearly a hundred other nations—have confirmed by formal treaty that they have a common interest in not polluting the common atmosphere with radioactive particles, and a common interest in putting a brake on the nuclear arms race. They have agreed that this common interest requires such a treaty despite irreconcilable ideologies, incompatible values, and antithetical ways of organizing political power.

What is new and hopeful here is the dawning realization that national rivals can remain rivals and still agree on what is in the interest of both. Mutual suspicion and mistrust are certainly not dispelled, but the nuclear weapons are not poisoning the atmosphere while negotiations proceed on their control and inspection.

Perhaps we are learning that national rivals do not have to kiss and make up before they agree not to annihilate each other. International politics is not what the "war-game" men call a "zero-sum game": A foot gained on one side does not necessarily mean a foot lost on the other.

Perhaps the world is beginning to fumble its way toward a pragmatic modern approach to the ancient dream of peace, toward a manageable, workable system of order based, as President Kennedy said at American University, "not on a sudden revolution in human nature but on a gradual evolution in human institutions—on a series of concrete actions and effective agreements which are in the interest of all concerned."

Beyond the control and reduction of arms, a world safe for diversity requires a wide range of international institutions and procedures to deter the resort to war, and encourage the resolution of conflict without war.

The United Nations is sometimes called a safety valve, a place to let off steam. Much steam is in fact let off there, and the valve has a certain value. It is good that a building exists on the East River in which every nation, large and small, can grumble for the record about his neighbor—and provide his neighbor equal time to grumble about him.

But the Security Council and the General Assembly are not at their best when they are adding heat to an already overheated dispute. They function at their best as devices for recording solutions arrived at by honest—which is to say, quiet—negotiation.

The growing value of the U.N., as peace-keeper and peacemaker to the world, lies not so much in its public debates as in its operating machinery—its mediators, its observ-

ers, its inspectors, its truce supervisors, and its emergency peacekeeping forces.

In spite of our great power, the United States cannot alone be policeman to the world. The rest of the world would not like it, and the American people would not stand for it—which is reason enough to build international peacekeeping machinery to take on the sometimes unhappy policeman's lot.

Thus we share with most of the rest of the world an interest in spreading the risk and the responsibility for international peacekeeping. Important as this has been in the past, especially in Korea, Kashmir, the Middle East, the Congo, and Cyprus, it is likely to be much more important in the future. For the nuclear stalemate appears to have loosened the inhibitions that kept the lid on incipient disputes. Having concluded that we may not after all die of a nuclear thrombosis, the world seems to have broken out in a rash of smaller local disputes, each carrying the virus of general war.

How much further can—or should—the U.N. develop its peacekeeping capacity? It is a fair question, but no answer today is certain to make sense tomorrow.

For the U.N. has whatever capacity its members can agree to endow it with, at any given time for any given purpose. Until one knows the nature of a future emergency and then plumbs the will of the U.N.'s majority to act in the face of common danger, one cannot say what the capacity of the U.N. is to act in defense of the peace.

The day before the Korean invasion, the day before the Suez crisis, the day before the army mutiny in the Congo, nobody would have dreamed that the U.N. could or would take on the peacekeeping tasks it did in fact assume. The capacity of the U.N. is the sum of the wills of its members to act together.

Dag Hammarskjöld said it well, in remarks which Prime Minister Pearson of Canada quoted in his Hammarskjöld memorial lecture: "The basic policy line for this Organization is that the United Nations simply must respond to those demands which must be made of it \* \* \*. The United Nations should respond and should have confidence in its strength and capacity to respond."

Obviously, there is always the question of how great an administrative load can safely be taken on. Obviously, too, there is the sticky and contentious problem of finance, and the always difficult matter of recruiting and training first-rate people capable of doing unprecedented jobs in a fog of controversy and frustration. The U.N.'s small operations in Greece, Palestine, and Kashmir helped to put it in training to climb what Hammarskjöld called "the very steep hill of Suez"; in turn, the operation in the Gaza Strip served as calisthenics for the Congo; and what was learned in the Congo deeply affected the mandate, the strategy, and the tactics of the Cyprus operation.

Yet if there is one lesson to be drawn from the 13 alarms to which the U.N. has responded, it is that each peacekeeping task is unprecedented, that the U.N.'s resources are never fixed or exhaustible, that being busy in one place must not preclude being busy in another.

So the measure of future United Nations actions for peace, here and there around the world, is not some predetermined quantum of "capacity to act" but rather the complex circumstances under which the requisite majority of its members can agree to pool their strength and act together for the charter's purposes. This is the real variable in the equation—not the age or experience of the Organization, not the state of its bank account, not the level of its current workload.

The U.N.'s future capacity to act will be deeply affected by the outcome of issues that are unresolved as this is written. To



be an effective instrument, its members will have to develop a way of financing peace-keeping operations that does not create a constitutional crisis over each half-billion dollars. The organization will also have to find some way to reflect the political facts of life in the United Nations where equal votes are endowed with unequal influence and unequal responsibility for the consequences of inaction.

This does not imply that the stronger members must lead the less strong around by the nose—any more than that the "one country, one vote" principle subordinates the U.N.'s big-power minority to its small-power majority. It implies, rather, that in a responsible organization, the less strong must have the realism to know the U.N. depends on its stronger members for its capacity to act—and the good sense to know that when the most powerful members can agree, the less powerful are often protected by that agreement.

All this is to say that the United Nations is and will continue to be a political body, and anybody who has worked in a legislature or on a school board or even on a student council knows the limitations imposed by the policies of consent.

International cooperation is uphill work all the way. Nuclear arms—clashing ideologies—conflicting ambitions—contradictory principles—economic interests—territorial disputes—racial, religious, and tribal animosities—personal greed—the lust for power: These, too, are realities. And so is the stubborn addiction of the human race to the ways of the past, its adamant resistance to change, its persistence in prejudice, bias, and hatred.

International cooperation must push against all the traditional, provincial, reactionary instincts of the human race. And if it seems hard for us, let us keep in mind that it is even more difficult for those nursed on dogma, weaned on historical determinism, and schooled on the inevitability of, say, the class struggle.

But we are in a very early stage of the journey toward world order. Both the technical and political pressures for international cooperation will not diminish but rise.

These are some of the reasons why our enthusiasm for what we call "international cooperation" must be grounded in reality and focused on practical expectations. International cooperation does not just happen. It is not an ideal, a spirit, a principle, a wish, or a policy. It is represented by institutions, treaties, laws, negotiations, agreements, and actions—hard, concrete realities that often are difficult to come by.

Peace is not an abstraction: It is an organized system for the peaceful resolution of difference and the peaceful management of needed change. The alternative to missiles is not merely the absence of missiles: The alternative is the presence of workable, reliable institutions—governed by accepted laws and agreed procedures, administered by flesh-and-blood men and women.

A decent world order will only be built brick by brick. Those who wish to help build it, and not merely to talk about building it, will concentrate on the next brick—on how it can be fashioned, where it belongs, how it will fit, when it should be added to the structure.

This book describes some of the main bricks, and indicates where the United States thinks they belong. Its author, Richard Gardner, has helped fashion most of them during the past 4 years as part of the Kennedy and Johnson administrations. He understands the process of international institution-building as clearly and deeply as any American of our time.

## HISTORY MAGNIFIES GREAT MEN, GREAT IDEAS, AND GREAT EVENTS

Mr. CHURCH. Mr. President, one of the traditional sources of American strength has been the pride of Americans in their collective achievements. DeToqueville spotted this more than a hundred years ago, and foreign visitors comment on it even today. Yet, one element of our society, the radical right, seems bent upon degrading the path this country has traveled since World War II, and sowing distrust for the leaders of all segments of society. One of the remarkably successful rhetorical tricks they have employed is to misrepresent American history, or idealize it beyond all recognition. The distinguished Pocatello, Idaho, editor, Perry Swisher, has said of them:

They leap from their belief that we are descended from visionary giants, to the conclusion that the ordinary mortals they see around them are a depraved society ruled by stupid or sinister men.

In a recent issue of Look magazine, I have written:

To put this world, and the Nation, in a proper perspective for the American people—this is the urgent business of statesmanship today.

Perry Swisher is helping to expedite that urgent business. In a column reprinted in the Aberdeen Times of November 19, he has written:

History magnifies great men, great ideas, and great events.

His explanation of this statement is certainly worthwhile reading for all those who wish to put American history in perspective and thereby draw strength and pride from the events of today as well as yesterday.

Mr. President, I ask unanimous consent that the column "History Skips the Ordinary, Evil" be included in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Aberdeen Times, Nov. 19, 1964]

### HISTORY SKIPS THE ORDINARY, EVIL

(By Perry Swisher)

The other night I attended a convention session of the State Parent-Teacher Associations. The opening speaker warned in detail against the infiltration methods and blind dogmatism of the extremists. The next speaker sang hosannas to the greatness, the wisdom and the vision of our forefathers.

The second speaker was defeating the purpose of the first. The victim-members of the John Birch Society, the Billy Hargis crusade and the Smoot-Manion forums have in common a wholly fictitious picture of the past. They leap from their belief that we are descended from visionary giants, to the conclusion that the ordinary mortals they see around them are a depraved society ruled by stupid or sinister men.

History magnifies great men, great ideas and great events. It skips over the masses who for nearly all of history were living—compared to our own times—in poverty, sickness, slavery, illiteracy and in continual fear of all men unlike themselves.

It is because of the Founders' forward-

looking faith in a society of men who would be equal before the law that this Nation enjoyed such an incredible birth, so full of promise. The conditions from which the country sprang, and the society into which it was born, did not consist of a society of free and enlightened men. They were, through their leaders, a society in search of freedom, knowledge, and a better life, which is a very different thing.

We would do our children a favor—seeing to it that so many of them do not remain children politically all their lives—if we taught them not merely the greatness of a few men dead but also of the relative which our recent ancestors lived.

At this country's birth you could not vote if you were female, if you owned no land (as most did not), if you were indentured or a slave. Most children didn't go to school as we know school; they were chattel.

In mills and factories and mines, tens upon tens of thousands of children worked for as little as 60 cents a week paid to their parents or to owners-by-indenture. If you were born to such a life, here and more especially in the lands from which our ancestors emigrated, your life expectancy did not exceed 40 years.

Many Birchers are at most the great-grandsons of Irishmen who died for no greater offense than being Irish; Greeks and slaves, guilty of their race; Calvinists, Catholics, Jews, and then Mormons, who lost life or property or citizenship because of their religion or nationality.

Idaho's constitution adopted in 1890 denied the franchise to Mormons and orientals. Foresight? Vision? A hundred years ago our American ancestors were slaughtering each other; less than half that long ago real warfare was waged in the mining camps and railroad yards and in the streets and docks of industrial cities.

In hundreds of communities it was only in the schools, as education became a birth-right, that children of different ancestry met—and by no means unanimously, and by no means is the process over—and learned however grudgingly to believe that persons reared differently from themselves might be entitled to the same rights and opportunities as themselves in a free society.

We have come a long, long way. We are freer, happier, healthier, and more knowledgeable and peaceable than any generation of our ancestors. The difference is phenomenal. Many an extremist is simply a child who never learned this, and remains a child.

## APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

The Senate resumed the consideration of the bill S. 3, to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

The PRESIDING OFFICER (Mr. Bass in the chair). The bill is open to further amendment.

Mr. COOPER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.



## AMENDMENT NO. 12

Mr. MILLER. Mr. President, I call up my amendment No. 12 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 44, between lines 22 and 23, it is proposed to insert a new section as follows:

## "LIMITATION

"SEC. 404. Notwithstanding any other provision of this Act, no funds authorized in this Act, other than those authorized in section 201, shall be expended for any program or project except to the extent such program or project is carried out in a 'redevelopment area', designated as such by the Secretary of Commerce pursuant to section 5 of the Area Redevelopment Act. With respect to funds authorized in section 201, in the case of areas covered by this Act which are not designated 'redevelopment areas', Federal funds shall be furnished on the same basis as in the case of all other areas not so designated."

On page 44, line 24, in lieu of "SEC. 404." insert "SEC. 405."

On page 45, line 5, in lieu of "SEC. 405." insert "SEC. 406."

The PRESIDING OFFICER. How much time does the Senator from Iowa yield himself?

Mr. MILLER. I yield myself as much time as is necessary.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 10 minutes.

Mr. MILLER. Mr. President, I dis-

*Selected examples of counties which cannot qualify as "distressed" but are nevertheless eligible for all benefits under the Appalachia bill*

(Figures for 1959)

State and county	Percent of families with income under \$3,000	Percent unemployed	Percent of occupied housing units with TV	Percent of occupied housing with automobile
Alabama: Chambers.....	37.6	4.0	72.8	51.4
Georgia: Catoosa.....	22.2	3.7	90.6	61.3
North Carolina: Burke.....	29.0	3.1	84.7	61.7
South Carolina: Greenville.....	26.4	2.9	86.1	56.6
Tennessee: Sullivan.....	27.2	4.7	87.0	62.2
Virginia: Smyth.....	35.0	5.9	80.5	65.0

Source: "County and City Data Book," 1962, Department of Commerce and Bureau of the Census, publication prepared under the direction of Edwin D. Goldfield, Chief, Statistical Reports Division.

Mr. MILLER. Mr. President, it will be noted that I have selected at random certain counties in the States that are covered by the Appalachia bill. For example, in Alabama there is Chambers County. Thirty-seven and six-tenths percent of the families in that county have incomes under \$3,000. The rate of unemployment is 4 percent. Seventy-two and eight-tenths percent of the occupied housing units have television. Fifty-one and seven-tenths percent of the occupied housing units have automobiles.

These figures are for 1959. They are the latest figures available. I presume that the percentages with respect to television and automobiles would be much larger as they pertain to the past 5 years.

In Georgia, Catoosa County is listed in the coverage of the bill. In that county, only 22.2 percent of the families have incomes under \$3,000. The percentage of unemployed is 3.7. More than 90.6 percent of the occupied housing units have TV, and 61.3 percent of the occupied housing units have automobiles.

cussed this amendment to some extent on the preceding legislative day. I repeat that the amendment is not designed to hurt the bill; neither is it designed to move away from the concept of the bill. It is designed to make it very clear that preferential treatment is not to be given to counties in this area which are not entitled to preferential treatment.

The Appalachia bill has come before the Senate under the aura of being a bill to uplift a distressed area. That there are distressed counties in this area, no one will deny. But when one goes through the list of counties that are covered by the bill, each of which would be eligible for assistance under the bill, one finds at least 67 counties which cannot qualify as distressed counties under the definition of the Area Redevelopment Act. Therefore, I believe we ought not to grant relief under the bill to those counties. If we do, we should let the American people know exactly what we are doing. Let us not try to tease anyone with the thought that this is a bill to aid only distressed counties, because the bill would do no such thing.

I invite the attention of Senators to a table which I have prepared. I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

In Burke County, N.C., only 29 percent of the families have incomes under \$3,000. The rate of unemployment is 3.1 percent. Eighty-four and seven-tenths percent of the occupied housing units have television. Occupied housing having automobiles is 61.7 percent.

In Greenville County, S.C., only 26.4 percent of the families have incomes under \$3,000. The rate of unemployment is 2.9 percent; 86.1 percent of the occupied housing units have television; and 56.6 percent of the occupied housing units have automobiles.

In Sullivan County, Tenn., only 27.2 percent of the families have incomes under \$3,000. The rate of unemployment is 4.7 percent; 87 percent of the occupied housing units have television; and 62.2 percent of the occupied housing units have automobiles.

In Smyth County, Va., 35 percent of the families have incomes under \$3,000. The rate of unemployment is 5.9 percent; 80.5 percent of the occupied housing units have television; and 65 percent of

the occupied housing units have automobiles.

The source of this information is the County and City Data Book for 1962, published by the Department of Commerce, Bureau of the Census. I am quite sure that a careful review of this book will show that countless counties throughout the United States are in, if anything, much worse condition than these counties. These counties could not qualify as distressed counties; yet they will receive benefits under this bill, unless we do something about it.

In my own State of Iowa, in 17 of the 99 counties more than 40 percent of the families receive incomes under \$3,000; 17 counties in Iowa have more than 4 percent unemployment. I cannot in good conscience vote to tax the people of Iowa in order to give preferential treatment to counties in other States which cannot qualify as distressed counties. I do not think I should be asked to do so.

We might consider another viewpoint: Are the States in which these counties are located doing what they should be doing to alleviate their distressed conditions?

Pennsylvania and Ohio are probably the major recipients, aside from West Virginia, of assistance under the proposed act.

I have no brief for West Virginia. West Virginia is a distressed State, in a distressed area. But when we look at Pennsylvania and Ohio, for example, we find some very interesting figures relating to per capita disposable personal income and the State and local tax per capita in those States as compared with other States.

I now refer to a table for 1963, showing the per capita disposable personal income and the State and local tax per capita in a group of States.

The table reads as follows:

State	Per capita disposable personal income	State and local tax per capita
Pennsylvania.....	\$2,124	\$208.70
Ohio.....	2,147	207.40
Iowa.....	2,036	244.75
Hawaii.....	2,097	256.47
Colorado.....	2,134	259.48
Kansas.....	1,973	249.45
Minnesota.....	2,011	268.57
Montana.....	1,950	241.41
Rhode Island.....	2,123	230.71
South Dakota.....	1,706	223.96
Utah.....	1,862	221.78
Vermont.....	1,864	231.66
Washington.....	2,146	271.28
Wisconsin.....	2,024	254.01

Mr. President, the States of Pennsylvania and Ohio are not levying enough taxes on their people, when compared to other States.

In my own State of Iowa, the per capita disposable personal income was only \$2,036. That is \$100 less than the figures for Ohio and Pennsylvania. Yet, the per capita tax was \$244.75. There are a great many other States which are levying more taxes per capita. Those States had a smaller per capita disposable personal income than the States of Pennsylvania and Ohio. Yet, it is proposed to tax the people of these various States in order to provide the assistance proposed by this bill.



I wish to make it clear that I would like to be able to support legislation which was aimed at relieving distress, not only in the area covered by the Appalachia bill, but also in other areas throughout the United States.

One naturally wants to assist the distressed areas in his own State. But at the same time, I do not think any of us should be so provincial as to say that unless we have a corresponding amount of assistance under a particular bill for our counties, we will never consider giving assistance to other counties which may be intended to receive it.

My point is that there is no reason to grant assistance to nondistressed counties, as this bill proposes to do. The only argument that possibly can be made against it is, "If we do not allow some of these nondistressed counties to come within the coverage of this bill, we may have difficulty with the road program."

The answer to that argument is that my amendment would specifically exempt that situation and would provide that when highways go through nondistressed counties, the nondistressed counties shall receive benefits in no greater degree than any other nondistressed county throughout the United States.

If in the case of other nondistressed counties, the States must put up 50 percent and the Federal Government put up 50 percent in constructing highways through those counties. Such should be the case in the Appalachian bill, in which area there are nondistressed counties.

I think it is a fair amendment. I think it is designed to do no more and no less than what the proponents of this legislation say they intend.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from West Virginia is recognized. How much time does the Senator from West Virginia yield to himself?

Mr. RANDOLPH. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 5 minutes.

Mr. RANDOLPH. Mr. President, I oppose the amendment offered by the Senator from Iowa. It is a slightly altered version of the amendment offered last year, which was rejected by the Senate. It was also rejected by the House Committee on Public Works, when the measure was considered there. The bill did not reach the House for consideration. So, we have had the expression of the Senate itself in its Chamber, and the House within its Committee on Public Works.

I indicated last week when I had the privilege of discussing this matter with the able Senator from Iowa that there are limitations and shortcomings inherent in this amendment. I shall summarize them briefly today.

First, the amendment would reject the basic regional concept of the bill. This is not an area redevelopment measure. I must repeat that, as I said last week, it would be fallacious to attach to this measure completely extraneous and, I think, irrelevant criteria which have been developed under the Area Redevelopment Administration.

Second, I do not believe that the privileged treatment which is indicated with respect to the Appalachian area is a valid argument. The proposed amendment would strike out the effectiveness of the multicounty development district as determined in this legislation.

We have noted in committee—and we have called attention to it in the Senate—that the counties of greater economic strength will often be the nucleus, the anchor, as it were, for the development district. Technical assistance funds, as well as projects funds, would frequently be allocated not to single counties but to multicounty development districts.

Third, with respect to the amendment, the provision for allocating funds under section 201, which is the road program, I believe the proposed amendment contains language that is either meaningless or unworkable.

Frankly, I do not know what is meant by the language on page 2, lines 3 and 5, which refers to the highway funds, as the Senator from Iowa set them forth. It reads:

Federal funds shall be furnished on the same basis as in the case of other areas not so designated.

I do not know what this means. As the Senator said, in all Federal aid highway programs, as in the pending bill, the allocations made by the Secretary of Commerce to the States are not made to the counties. If, on the other hand, the related language is not meaningless, but declares that the funds for assistance in building specific roads would be apportioned differently, as the road program transverses from one county and jumps over another county, such a provision would be completely unworkable. I think that it would be impossible to administer such a provision.

For the reasons I set forth last week and which I reemphasize now, I shall oppose, on behalf of the committee, the amendment offered by the distinguished Senator from Iowa. The Senator is able and conscientious. I understand his concern.

However, I believe that in this instance his argument is not valid.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. RANDOLPH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the order for the rollcall be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT NO. 11

Mr. HRUSKA. Mr. President, I call up amendment No. 11, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment offered by the Senator from Nebraska for himself and other Senators (amendment No. 11) will be stated.

The LEGISLATIVE CLERK. It is proposed, beginning with line 14, on page 18, strike out through line 12 on page 21.

Renumber the succeeding sections accordingly.

Mr. RANDOLPH. Mr. President, will the Senator yield at this point?

Mr. HRUSKA. I am glad to yield.

The PRESIDING OFFICER. The Senator from Nebraska must first yield himself time.

Mr. HRUSKA. Mr. President, I yield myself 10 minutes.

I understand the Senator from West Virginia wishes me to yield for the purpose of making a unanimous-consent request.

Mr. RANDOLPH. Yes. Mr. President. I ask unanimous consent that on this amendment, No. 11, the committee, which is opposed to the amendment, shall have an additional 10 minutes. That will give us 20 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LAUSCHE. Mr. President, will the 10 minutes be taken out of the time before 3 o'clock, or will the time for voting be extended beyond that time?

Mr. RANDOLPH. There is plenty of time.

Mr. LAUSCHE. There may be many other amendments.

Mr. RANDOLPH. Very well.

Mr. LAUSCHE. Why not extend the time beyond 3 o'clock?

Mr. RANDOLPH. We cannot do it. The time has already been fixed.

The PRESIDING OFFICER. Without objection, the Senator from West Virginia will be recognized for 20 minutes, and the Senator from Nebraska is now recognized for 10 minutes.

Mr. HRUSKA. Mr. President, am I to understand that my 10 minutes starts now?

The PRESIDING OFFICER. Yes.

Mr. HRUSKA. I am grateful for the 1-minute "spot."

Amendment No. 11 involves the deletion of section 203 of the bill (S. 3).

In considering this amendment, we are really plowing old ground again, because section 203 was deleted from the similar bill that we considered last year.

The question is whether the revised language of section 203 as contained in the bill this year has been changed from last year's version sufficiently to affect our decision.

It is said that section 203 in its present language is patterned after the language authorizing the Great Plains conservation program. If the 10 Midwestern States think highly enough of the Great Plains program to vote appropriations for it each year, it is argued that we should not prevent the application of the Great Plains program to the Appalachia region.

It is further argued that to refuse approval of section 203 would be regionalism of an extreme form; and that section 203 as revised would be not the slightest threat to the beef-producing States of this country.

As to the first point, that to refuse adoption of the provision would be regionalism of an extreme form, it is argued that section 203 gives to the Appalachia region nothing not already



enjoyed by the 10 Midwestern States under the Great Plains program; and that Appalachia as a 50-acre limitation and a \$2,500 limitation per farm; whereas the Great Plains program has a limitation of \$25,000 on a contract, rather than \$2,500 for 50 acres.

I should like to explore for a moment what the Great Plains program is. It is authorized by Public Law 1021 of the 84th Congress. There are some 17,000 contracts under it. The average allowance under those contracts is a little more than \$3,600 a contract—not \$25,000. Most projects in recent years have been on a level of 50–50 participation, and there are very few providing for as large a Federal contribution as 60 percent.

The average size of the operating unit in the Great Plains program is not 50 acres as a limit, but 2,055 acres.

What does that tell us? That tells us that the conditions in the Great Plains area are the antithesis of what we find in Appalachia.

It is not fair, it is not even common sense, to say that we should apply the Great Plains program to the Appalachia region, and that here are sections 1, 2, 3, 4, and we will lift those out of the Great Plains and put them in a program for Appalachia, which is not comparable in geography, area, or economic conditions.

Some 422 counties, after careful selection, were made eligible for the program, and only 392 of them have projects under it. The Great Plains bill, Public Law 1021, was adopted following action by the appropriate committee. It contained 2,500 printed lines, carefully prepared, with appropriate safeguards, and with provisions that were calculated to meet the circumstances in that 10-State area. That is the handling that I recommend for section 203 of the present bill, so that knowledgeable committees in the Senate and House dealing with agricultural problems will have an opportunity to go into it, and to see that what comes out is a workable bill.

The greatest single difference between the two programs is that in the Appalachian program we are dealing with uneconomic units, held by the most impoverished of the people of the region. Nothing can be accomplished by investing \$2,500 apiece in those small units, as grants for land conservation practices, in the hope of making those units self-sustaining from an economic standpoint. Fifty acres will support no more than 12 to 16 head of cattle. That is not enough to do the job.

In my judgment, one of the most cruel hoaxes in this whole situation is that the landowner in Appalachia, when he gets into the program, will be given the idea that the program will enable him to make a living. Under all the laws of economics, he cannot make a living through such a program. All the Federal help he can get will not give him any real future to look toward. It will be a future with a submarginal income and a substandard living.

As to whether the program creates a

threat to the beef industry, last year we heard testimony by two administration spokesmen—namely Secretary of Agriculture Freeman and Under Secretary of Commerce, Franklin Roosevelt. The testimony was that the added marketings of beef cattle in Appalachia, with this program of increased production, would amount to \$230 million. That comes to a million head of cattle. That means a billion pounds of beef on the hoof.

Is that not a factor?

Is that not plenty of additional competition for the beef industry?

I would say that it is, particularly when Secretary Freeman states that the big trouble with the cattle industry is it is overproducing.

What is his remedy? His remedy is to establish a system subsidized with Federal funds, not only in pasture improvement but also in the buying and maintenance of breeder stock which would increase marketings by a million head of cattle a year. These marketings would be added to an already burdensome overproduction, which the Secretary states is at the bottom of the situation.

It is argued also, "We are importing a million feeder cattle a year from Mexico and Canada. Why not raise them in Appalachia?"

I will go along with that argument. I believe most Senators would. But the administration refuses to put limits on the imports of feeders from Mexico and Canada. We are going to receive them whether we like it or not. Even if Appalachia should furnish a million more head a year, we are going to get them from Canada and Mexico also. Thus, it is not a matter of substituting feeders from the Appalachian area; it is putting them into the market in addition to the surplus feeders from Mexico and Canada which will come in, nevertheless.

I know that the situation in Appalachia is grave. The impoverishment there and the lack of food is not a bright prospect, to say the least.

It is not my position that this program be rejected and then forgotten.

If there is merit to this proposal, let us strike it from the bill now. To determine whether it has merit, let it be put in the form of separate bill, and referred to the Agriculture Committees of the House and Senate for them to process. Let them process it along the same lines as Public Law 1021 was processed in 1956. Have it geared to the problems of the area in which it is to be applied, so that it will stand up as a workable proposal.

Then, if it passes the judgment of those people, I believe it should be considered by each Chamber and then enacted into law, but not on the basis of hearings held on January 19 and 21 of this year, during the very week of the inauguration ceremonies, when many other things were going on in the Capitol; also under circumstances when there was not sufficient time for the cattlemen's associations to come to Washington and prove the points which I have tried to make in the Chamber today.

The PRESIDING OFFICER. The Senator from Nebraska has consumed 10 minutes.

Mr. HRUSKA. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 1 additional minute.

Mr. HRUSKA. This is a hurry-up call. We are told we must pass this bill today. We must vote on it by 3 o'clock. I say that is not fair to the organizations representing the beef producers, who will be seriously affected by a proposal so harmful to their interests. This may be relieving, in part, those in Appalachia, but at the expense of those already in the beef industry who are trying to hang on, in spite of the adverse market conditions in the cattle industry today.

Mr. MUNDT. Mr. President, will the Senator from Nebraska yield?

Mr. HRUSKA. I yield.

Mr. MUNDT. I congratulate the Senator from Nebraska on having offered the amendment dealing with the problem in connection with this bill, which could have very serious and injurious economic consequences throughout the agricultural areas. The Senator has taken a reasonable and moderate approach in trying to correct the situation which, if left in the bill, could create genuine economic distress in widespread areas of the country.

I wonder whether the Senator from Nebraska feels, along with me, that if the bill should remain in its present form, and if his amendment should be rejected—in effect resulting in the enactment and approval of all that is now in the Appalachia bill—it would have the result of transferring pockets of poverty from Appalachia out into the range and cattle country of America, where we already are suffering serious economic consequences.

Mr. HRUSKA. There is no question about that. In the last 2 or 3 years, many persons in our area have been pushed into bankruptcy or near bankruptcy. If we are to have a portion of the industry subsidized in competition with us, of course it will aggravate that situation.

Mr. MUNDT. I see no good economic sense at all in creating new areas of poverty in order to correct existing problems. This is a nation of 50 sovereign States. By moving economically distressed locations from one area on some kind of magic carpet, by impinging upon the agricultural activities of a normally agricultural area of the country, it seems to me we would be walking down the hill toward more poverty, in certain sections of our country instead of toward a high plane of national prosperity.

Mr. HRUSKA. I thank the Senator from South Dakota for his observations.

I yield 2 minutes to the Senator from Montana [Mr. METCALF].

The PRESIDING OFFICER. The Senator from Montana is recognized for 2 minutes.

Mr. METCALF. Mr. President, I feel that the Senator from Nebraska has



made a significant contribution to this debate in his forceful statement on his amendment. I offered the same amendment in committee, and for the same reasons the Senator from Nebraska has so eloquently stated.

I feel that the Great Plains area is being discriminated against in this amendment. As the Senator from Nebraska has already pointed out, the cattlemen of my area, and the cattlemen of Nebraska, are suffering from overproduction.

Last year, when Secretary Freeman appeared before the committee, I interrogated him concerning the amendment. It was called the pastureland amendment then. This year "pastureland" has been removed from the amendment each time. The Senator from West Virginia [Mr. RANDOLPH], who has been handling the bill in the committee, is to be commended for his frankness and forthrightness in stating that they took the word "pastureland" out, but it applies to the same thing.

It is difficult for me to oppose a soil conservation and a soil erosion amendment, but this amendment, which appears to give special privilege to the Appalachian area at a time when the administration is cutting soil conservation all over the rest of the United States, comes with ill grace.

In the budget message, the President proposes a reduction of \$20 million for 1966 under legislation authorizing the establishment of a public enterprise revolving fund. The finance report calls for technical services provided to soil conservation districts for soil conservation already in operation, in cooperation with farmers, ranchers, other landowners in the design and layout and installation of planned water and soil conservation practices. The proposal is that a revolving fund be established by the farmers themselves, or by the States, or by the soil conservation districts, whereby to contribute to technical services.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HRUSKA. I yield 1 more minute to the Senator from Montana.

Mr. METCALF. Mr. President, in other words, the administration is coming around, on the one hand, with a tin cup, collecting from all the farmers who are participating in soil conservation for their technical service, and then distributing the largess it collects to the people of Appalachia.

The Presidential budget message at page 89 states:

But in view of the market outlook for farm commodities at home and abroad, farming alone cannot be expected to provide a decent living in the future for more than about 1 million farm families, even with continued Government assistance. Many low-income farm families will have to find other ways of earning a living.

Mr. President, that means that the administration is saying to Congress that two and a half million of the 3 million farmers in America will have to leave the farms. Then it says that we shall have to give special subsidies and special consideration to return them to the farm in special areas of America.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HRUSKA. I yield 1 additional minute to the Senator from Montana.

Mr. METCALF. I heartily concur in the amendment offered by the Senator from Nebraska and hope it will be added to the bill.

May I have an additional half minute yielded to me?

Mr. HRUSKA. I yield another minute to the Senator from Montana.

Mr. METCALF. I have supported this principle in other areas, such as in connection with the Great Plains program. I cannot justify in my mind a program which on the one hand would contribute to further poverty, as has been pointed out, in other areas of the United States, and then take that same poverty to build up something in the Appalachian area.

Mr. RANDOLPH. Mr. President, I yield 5 minutes to the Senator from Kentucky.

Mr. COOPER. Mr. President, I rise to oppose the amendment offered by the distinguished Senator from Nebraska. I hope very much that my colleagues on this side of the aisle will give consideration to the arguments that I am about to make in response to the presentation made by my friend from Nebraska.

All of us are aware of his concern, and of the concern of other Members of the Senate, about the problems of the great cattle-producing States.

Last year many of us joined in support of the efforts of the Senator from Nebraska to secure application of quotas to the importation of beef. But I believe that the Senator and his cosponsors are unduly concerned about the effect on the cattle situation of section 203 of the bill which he seeks to strike.

They assume that this section, if it is used by the small farmers in the Appalachian area, and if they improve their small tracts of land to the limit of 50 acres, that it will go into pasture and all will be used for the production of beef. I say to them that they do not know this area. I say that with great respect for my friends.

The chief purposes of the bill are two. The first purpose is not particularly relevant to the discussion of the amendment, but it is to establish facilities, such as roads, vocational schools, and health facilities, which will in time bring the region into parity with other more fortunate regions of the country.

The second purpose is to assist in the restoration, conservation, and rehabilitation of the natural resources of this region—land, water, and timber. Certainly no resource is more important than land.

The vast areas in the West, acres stretching out in flatlands, bear little comparison with the hills in Kentucky, West Virginia, Pennsylvania, and Tennessee. It is a rugged country, cut with steep hillsides and narrow valleys. There are a few farms in the bottom lands of the streams, but most are hillside farms. The timber has been cut away. The land has been cultivated in corn, and in other row crops.

It is poor soil with little limestone, and much sandstone. The hills have been gullied, and a great deal of the topsoil has washed away.

The bill provides that these small farmers, with small resources, who have not been able to take advantage of the 50-50 divisions in our farm programs, such as the Soil Conservation Service and the ACP, and so forth, shall be provided opportunity on a ratio up to 80-20, in conservation practice, to develop their small 50 acres.

I can speak with some experience on this subject, as I live in the area and have travelled it many times.

These small farmers will improve their land and use it for gardens. They may keep a cow or two. I hope they will. They may keep some sheep and hogs. They will live on the land cheaply, and have a better way of living.

My friend from Nebraska said a few moments ago that this program would not help those people, because they could not develop a good farm program on 50 acres. Mr. President, it will enable them to live, and that is the important thing. It will not hurt the people in the cattle States. There may be those who may have 5 or 6 cattle, or 10. How many cattle can one raise on 50 acres? These people want to stay where they are. They are miners out of work, or farm families growing poorer all the time. They are afraid to leave their homes, for it is difficult to secure employment. They do not want to lose the land and their homes.

I believe this section of the bill to be one of the most important sections in the bill. It will give these people a chance to live.

They may raise berries, fruit, vegetables, and market them through cooperatives.

I say to my dear friends: Do not be afraid of this section. It is not a cattle-producing section. It will give a better life and opportunity to people who desperately need a better chance.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HRUSKA. I yield 1 minute to the Senator from South Dakota.

Mr. MUNDT. Mr. President, in response to the presentation of the Senator from Kentucky [Mr. COOPER] let me say that 50 acres, multiplied over and over again, may do to the cattle business precisely what less than 15 acres multiplied time and time again has already done to the wheat market.

We have found that when we protect the right of people to raise unlimited wheat on 15-acre tracts, and then are faced with 50,000 farmers in certain States taking advantage of that provision, it has a detrimental effect on the price received by wheat grown throughout the country. The same thing can occur here if we do not add the Hruska amendment to protect our cattle industry against a new form of subsidized competition.

I do not believe it was the purpose of the Appalachian bill to subsidize one section of the country in waging economic war against another section of the country. However, that is exactly what is taking place at a time when parity is already down to 75 percent in the farming areas. I hope the Hruska amendment is adopted.



The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HRUSKA. Mr. President, I yield 3 minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, last week I spoke on this subject. I expressed the view that I could not bring my judgment to coincide with a proposal which would have the Federal Government paying money to farmers to take land out of production on the one hand, and then, on the other, paying them money to put land into production.

That is the factual situation that exists with respect to the proposed program.

We have a number of programs in which we say to the farmers, "Take your land out of production. If you do so, you will remove the glut in the market. You will help stabilize prices. If you do that, we will pay you for your failure to produce."

That has been the philosophy, and it has been adopted by the Congress. However, in the present instance, completely in conflict with what has been past practice, we would say to farmers, "If you improve your land with fertilizer, tile, irrigation, and fences, so that you will be able to graze your stock better, we will pay you. It will not be a loan; it will be a gift."

It is beyond my ability to reconcile those two programs. One would pay the farmer to take land out of production; the other would pay the farmer to put land into production.

How can Senators reconcile those two programs? One or the other is wrong.

Certain counties in Ohio are involved in the bill. My natural impulse would be to say, "We will go along with the program." But, Mr. President, already it has been pointed out that there will be at least six other "Appalachias." How long can we continue to give money to take food out of production and give money to increase production?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LAUSCHE. Mr. President, will the Senator from Nebraska yield an additional minute? I am making a good argument.

Mr. HRUSKA. I yield 1 additional minute to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for an additional minute.

Mr. LAUSCHE. The prospects are that there will be six new areas of the country which will come under the proposed program. I visualize that within 2 years there will be "Appalachias" in every part of the country. I do not see how we can continue to pay the Great Plains States at a ratio of 50 to 50 and pay others at a ratio of 80 to 20.

I should like to go along with the provision in the bill which we are discussing, but I cannot do so.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. RANDOLPH. Mr. President, I ask for the yeas and nays on the amendment.

Mr. HRUSKA. Mr. President, I join with the Senator from West Virginia in asking for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. MILLER. Mr. President, will the Senator yield 2 minutes to me?

Mr. HRUSKA. Mr. President, I yield 2 minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 2 minutes.

Mr. MILLER. Mr. President, the bill has been somewhat reworded compared with the bill passed last year. But I think it is quite apparent that the result would be about the same as it would under the pastureland section, section 203, of last year's bill. At that time I pointed out that section 203 of the bill was inconsistent with the land retirement provisions under the current feed grain program. I believe that the same thing can be said about section 203 as it is presently worded.

Additionally, I point out that I believe that Congress is going far afield when it delegates responsibility to the Secretary of Agriculture, as this section would do. I quote from subsection (d) on page 19:

(d) In return for such agreement by the landowner, operator, or occupier the Secretary of Agriculture shall be authorized to furnish financial and other assistance to such landowner, operator, or occupier in such amounts and subject to such conditions as the Secretary determines are appropriate and in the public interest for the carrying out of the land uses and conservation treatment set forth in the agreement:

Mr. President, that question is not for the Secretary to determine; it is for the Congress to determine and set down guidelines as to what is or is not appropriate, or what is or is not in the public interest. That is merely another example of what I believe is improper language tied in with a very unfortunate section of the bill.

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. RANDOLPH. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from West Virginia has 15 minutes remaining.

Mr. HRUSKA. Mr. President, I should like to ask how much time I have remaining.

The PRESIDING OFFICER. The Senator from Nebraska has 7 minutes remaining under his control.

Mr. RANDOLPH. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 10 minutes.

Mr. RANDOLPH. Mr. President, I hope that what I shall say will be taken in good spirit. If we were to talk about preferential treatment—and I do not like the bill to be discussed in those terms—certainly there are areas of our country, including the Great Plains area, which have had attention in the past. I shall not call it preferential treatment, but I say that for 8 years in the Great Plains area they have been carrying forward special programs. In the Great Plains program 341 million acres have been eligible for attention. If the program in the Appalachian region were

similar to that in the Great Plains area, we would have approximately 8 million acres eligible for assistance and would hope for treatment of approximately 2.5 million acres over the life of this act. The present funding level of section 203 would treat approximately 350,000 acres.

Mr. President, the committee has attempted very realistically—and I shall say very considerably—to bring in this year a substitute for the amendment which was offered last year to meet the arguments which have been discussed by the Senator from Nebraska [Mr. HRUSKA] and others today and prior to today. We are thinking in terms of help within the Appalachian region, not merely for the plains areas. If we had any plains, we would have the production of cattle. But we are thinking, as the Senator from Kentucky [Mr. COOPER] has said, of orchards which would be developed and of other programs—for example, the production of certain types of berries, as well as livestock production. All of those endeavors would be within the program of conservation, land improvement, and erosion control.

I cannot see how that program would be a threat to the beef industry in the section of the country from which the Senator from Nebraska comes. If the amendment offered by the distinguished Senator from Nebraska [Mr. HRUSKA] cosponsored by other Senators who are interested in the Great Plains States, were agreed to, it would be regionalism in the extreme. We are asking only for what I think is valid.

I quote now from page 1574 of the CONGRESSIONAL RECORD of January 29, 1965. The Senator from Nebraska opposed "special Federal subsidies on a basis which discriminates in favor of one section of the country and against all other sections."

That is a quotation from the statement of the Senator. I accept it at its face value, and reply that section 203 of the pending measure, as reported, offers to the farmers of the Appalachian region nothing that has not been available to the farmers of the designated counties in Nebraska, Kansas, Colorado, Texas, North Dakota, South Dakota, New Mexico, Oklahoma, and Montana since enactment of the act of August 7, 1956, to which reference has been made, and which established the Great Plains program under the administration of the Soil Conservation Service. The maximum allowable grant under the proposed legislation now before the Senate is substantially less than—and would probably average approximately one-tenth of—the maximum allowable assistance under the program in the Great Plains.

I have read with care the remarks of the Senator from Nebraska [Mr. HRUSKA]. I have also read the remarks and listened to the statements today of the Senators from Nebraska and Ohio. I say to them with respect—and I respect them highly—that I believe their comments are not responsive to the purpose of section 203 as we have drafted it this year in S. 3. Section 203 does not give special preference to the farmers of the Appalachian region. I invite the atten-



tion of Senators to the colloquy on January 29. It was presumed by both Senators that the Great Plains program is operated on a 50-50 basis of participation between the Federal Government, on the one hand, and the farmer on the other. It has since been brought to my attention that while a 50-50 ratio may prevail in many instances, the law provides for Federal grants up to 80 percent of the cost of each eligible project.

In Nebraska, of the 21 practices installed under the program, 6 are at 80 percent, 10 are at 73 percent, 3 are at 60 percent, and only 2 at 50 percent.

In South Dakota, of the 23 practices installed, 9 are at the ratio of 80 percent, 6 at 75 percent, 9 at 65 percent, and only 2 at 50 percent.

Mr. HRUSKA. Mr. President, will the Senator yield briefly for a question?

Mr. RANDOLPH. I yield.

Mr. HRUSKA. For what years were those projects approved? If they were in the initial years, that statement is true; but in recent years the average has been about 50 percent.

Mr. RANDOLPH. Different practices have been instituted and contracted for over the years. The list to which I refer includes all 24 practices installed under the program and has been updated to 1964. The Senator from Nebraska has indicated that these programs have no applicability to Appalachia. This is not a fact. I mention, for example, permanent vegetative cover. Certainly we have reasons for that practice. Then there are the practices of field strip-cropping, contour strip-cropping, contour farming operations, terrace construction, furrowing, ripping, and pitting or listing; also detention of sediment and retention dams; stream-bank or shore protection; construction of dams for irrigation; developing springs; and control of competitive shrubs. All of these stabilization and erosion control practices are applicable to the farms of Appalachia.

I refer Senators to pages 119 and 120 of the Federal Budget for fiscal 1966, in which the Great Plains program, after which this section of the pending measure has been patterned, is discussed. I quote from that section of the budget:

Program regulations provide that the cost-share rate offered in any contract shall not exceed 80 percent of the average cost of installing each eligible practice within the designated county. \* \* \* There is also a cost-sharing limitation of \$25,000 for any one contract.

I emphasize that whereas the comparable program for Appalachia under section 203 is limited to not more than 50 acres, which at the average cost of \$50 per acre would be a maximum of \$2,500, the Great Plains program limits a single contract to \$25,000, or 10 times the amount which would be allowed the Appalachian farmer.

The PRESIDING OFFICER (Mr. KENNEDY of New York in the chair). The 10 minutes allotted to himself by the Senator from West Virginia have expired.

Mr. RANDOLPH. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from West Virginia has 5 minutes remaining.

Mr. RANDOLPH. I yield myself 3 minutes.

I find it difficult to understand how Senators could seriously entertain the argument of preferential treatment in Appalachia in the face of the facts which have been presented by the Senator from Kentucky [Mr. COOPER], which I have placed in the RECORD. I do not advocate establishing a 50-acre limitation in the Great Plains. Obviously, in the wide expanses of the Western States, such a limitation would be inappropriate and ineffective. But I do argue for at least equal treatment for the farmers of Appalachia with the farmers of the Great Plains. Equal treatment means the equal, though not identical, application of the resources of our Government to the needs of the farmers.

Should the soil of the farms of West Virginia and eastern Kentucky be allowed to wash away into the Ohio and Big Sandy Rivers, while the soil of the farms of Kansas and Nebraska is protected from erosion? I do not believe that the Senate will adopt an amendment which embodies such apparent inequities as the pending one, offered by the Senator from Nebraska [Mr. HRUSKA] for himself and other Senators.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. PASTORE. The point we are missing is that the limitation provided in the bill is 50 acres. This is an anti-poverty program. As the Senator from Kentucky [Mr. COOPER] has already said, the 50 acres is nothing more than a family farm. We are trying to provide a little sustenance for those people to enable them to provide for their families. It was never intended that industry in any other part of the country should be dislocated. This is an antipoverty program; we must understand that. The reason for the limitation of 50 acres is that it is a family farm program. We are merely trying to assist people to raise some cattle and some food in order to support their families.

Mr. RANDOLPH. The Senator from Rhode Island is succinct and correct, as always. There is no attempt in the bill to do violence to a program which, for 8 years, has worked effectively in the Great Plains. We know that. But there is a desire to provide equal treatment to the farmers of the Appalachian region, a region of high ridges, steep slopes, and narrow valleys, and where, as has been said by the Senator from Rhode Island, only the small acreages of farmers are under consideration.

Mr. President, I reserve the time I have remaining.

Mr. HRUSKA. Mr. President, I yield 2 minutes to my colleague from Nebraska.

Mr. CURTIS. Mr. President, I support the Hruska amendment. I believe that the language in the bill before us is a substitute for the language that was in the bill last year, only it is a little subtle. The language of last year's bill indicated an intention, as part of the Appalachian program, to expand the livestock production of the country, particularly cattle. If through the ingenuity of the sponsors and the use of the help that

is extended to all sections of the country, someone wishes to go into the livestock production business, certainly he should not be retarded by the Government. On the other hand, if there is an industry, such as the cattle industry, in which someone is suffering from depressed prices, an industry which has been subjected to excessive foreign import competition, certainly the Treasury of the United States should not be used to build up additional competition for the existing livestock industry.

It is true that the language in the pending bill does not mention livestock or cattle; but I believe it must be admitted that the purpose is the same.

I support the Hruska amendment for another reason. The language in the bill is not necessary. It has been shown that the Appalachian region has not exhausted the possibilities of solving this problem under existing law. I speak primarily of the Soil Conservation Act.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired.

The PRESIDING OFFICER. Who yields time?

Mr. RANDOLPH. Mr. President, how much time does the Senator from Nebraska [Mr. HRUSKA] have remaining?

The PRESIDING OFFICER. Five minutes.

Mr. HRUSKA. Mr. President, would the Senator from West Virginia prefer to finish his debate?

Mr. RANDOLPH. Mr. President, I should like to do so. How much time have I remaining?

The PRESIDING OFFICER. Two minutes.

Mr. RANDOLPH. Mr. President, I address myself to the argument that we should not raise the investment of funds for one region while the budget has established cuts for other regions. This refers specifically to proposed budget cuts for the Department of Agriculture. While I am sensitive to the problem this poses for Senators from other States, and indeed, I have indicated my resolve to resist such cuts, let us not mix apples and oranges. Let us refer to the budgeted funds for comparable programs.

Section 203 would authorize \$17 million for soil conservation and erosion control for fiscal years 1966 and 1967. The budget for 1966 requests for the Great Plains program alone an appropriation of \$14,864,000—an annual rate of almost twice that which would be authorized for Appalachia by section 203—and an increase over the 1965 estimate for the Great Plains of \$14,744,000 and the 1964 expenditures of \$13,617,000.

Mr. President, section 203 would authorize for Appalachia slightly more than half the annual appropriations made for the Great Plains program. Section 203 would authorize assistance to some of the 218,000 farmers in the designated counties of the 11 Appalachian States; farmers in the designated counties of the 11 Appalachian States; the Great Plains program has under contract 17,111 farmers and ranchers in the designated counties of 10 Great Plains States. And section 203 would establish for Appalachia a maximum allowable grant lim-



itation of 50 acres, or approximately \$2,500; the Great Plains program authorizes a maximum allowable grant under one contract of \$25,000 though I do not know whether a single operator or occupier is limited to one contract.

In the light of these facts, the argument of preferential treatment for Appalachia is, in this Senator's opinion, completely fallacious, and I hope that the Senate will decisively reject the proposed amendment.

Mr. HRUSKA. Mr. President, I yield 1 minute to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 1 minute.

Mr. ALLOTT. Mr. President, I find myself completely in accord with the amendment of the Senator from Nebraska. Too many of our Federal programs have encouraged competition against industries which were already severely depressed.

I can think of ski areas being put out of business by new ski areas which were financed by the Federal Government. I can think of wood manufacturing business being put out of business by new businesses financed by the Federal Government. I have mentioned just two of many such programs whereby Government-financed businesses have adversely affected businesses established through free enterprise.

It seems to me that in a time and place where we already have a surplus of cattle, according to the Secretary of Agriculture, when the price of cattle is depressed, that we should not enact a bill with a provision such as section 203 whose purpose is to place new areas in competition with another industry which is already in distress, and thereby exaggerate it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ALLOTT. Mr. President, I ask for 10 additional seconds.

Mr. HRUSKA. I yield that much additional time.

Mr. ALLOTT. Mr. President, I am very much persuaded by the arguments of the minority report. I am convinced that the whole concept of the bill, in addition to the defects I see in section 203, is to create an unprecedented opportunity for logrolling. Federal funds will gush forth without the restraint of reason. The necessary "needs" test will become simply a matter of "who is the most adept at rolling his log" instead of "where are the needs most acute in areas that have demonstrated their inability to alleviate their economically depressed condition by attempting self-help to the full extent of their capability prior to requesting Federal assistance." The latter should be the test, not the former.

Mr. HRUSKA. Mr. President, I wish to acknowledge the generosity and fairness of the senior Senator from West Virginia for the manner in which the debate has been conducted.

It has been said that section 203 offers nothing to Appalachia that has not been enjoyed for 8 years now by the Great Plains under Public Law 1021.

We have in the Great Plains an area in which the average farm unit is 2,000

acres, compared with 50 acres per farm in Appalachia. That means \$18 an acre in the Great Plains as against some \$50 plus an acre in Appalachia. That is one great difference.

Another difference is that we have built into section 203 a need for constant and continued subsidies indefinitely into the future.

If the program is started, the units there are uneconomic. They cannot be self-sustaining, even if given all favorable conditions. A total of from 12 to 16 animal units on each one of those 50-acre tracts will not do the job, and that is all those farms are capable of supporting.

Federal grants of 80 percent of the cost to restore vegetation will be necessary, but also breeder stock must be procured and maintained in order that the program may become operational at all.

Will this program do any harm to the existing cattle industry? The addition of 1 million head of cattle marketed per year, within a very few years after this program has been put into effect, will certainly be harmful to the cattle industry. Let us not pretend that this is a program for orchards, gardens, poultry, or a cow or two.

This is how the report reads with respect to section 203:

It offers no special provisions for assisting livestock operations in Appalachia. The committee assumes that after the land is restored and revegetated, the operation of free market factors, in conjunction with already established Federal programs, will supply this need.

Refer, if it is so desired, to the testimony of Mr. Sweeney, who states the same thing and amplifies it.

This provision is for the purpose of increasing the cattle production capability of those 50-acre units in the Appalachia region. There is no question about it. One million more head of cattle added to the cattle marketings that we have now, 1 billion pounds of beef on the hoof to be added to the market, will have a destructive effect on the market in our free economy.

Let us strike this section from the bill. Let us refer this matter to the Committee on Agriculture. Let them mull over it and see whether the arguments advanced by the cattle industry and other citizens last year are true. They will be verified. In support of the statement that these units are uneconomic and cannot be self-sustaining, we have one of the greatest experts in the business—Secretary Freeman himself.

I do believe, therefore, that we ought to refer this to the House Committee on Agriculture and to the Senate committee, and let them process it as it should be processed.

The amendment should be sustained. I hope the Senate does so.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment of the Senator from Nebraska, amendment No. 11.

The yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SALTONSTALL (when his name

was called). On this vote I am paired with the Senator from Kansas [Mr. PEARSON]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. LONG of Louisiana. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Washington [Mr. JACKSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Maine [Mr. MUSKIE], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I also announce that the Senator from Texas [Mr. YARBOROUGH] is absent because of illness.

I further announce that the Senator from Connecticut [Mr. DODD], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Utah [Mr. MOSS] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. GRUENING], and the Senator from Washington [Mr. JACKSON] would each vote "nay."

On this vote, the Senator from Iowa [Mr. HICKENLOOPER] is paired with the Senator from Connecticut [Mr. DODD]. If present and voting, the Senator from Connecticut would vote "nay," and the Senator from Iowa would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. DOMINICK], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Kansas [Mr. PEARSON], and the Senator from Pennsylvania [Mr. SCOTT] are absent on official business.

On this vote, the Senator from Colorado [Mr. DOMINICK] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from Iowa [Mr. HICKENLOOPER] is paired with the Senator from Connecticut [Mr. DODD]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from Connecticut would vote "nay."

The pair of the Senator from Kansas [Mr. PEARSON] has been previously announced.

The result was announced—yeas 28, nays 56, as follows:

[No. 10 Leg.]

YEAS—28

Alken	Harris	Mundt
Allott	Hruska	Murphy
Bennett	Jordan, Idaho	Prouty
Boggs	Kuchel	Simpson
Burdick	Lausche	Thurmond
Carlson	Mansfield	Tower
Church	McClellan	Williams, Del.
Curtis	Metcalf	Young, N. Dak.
Dirksen	Miller	
Fannin	Montoya	

NAYS—56

Anderson	Clark	Hart
Bartlett	Cooper	Hartke
Bass	Cotton	Hayden
Bayh	Douglas	Hill
Bible	Eastland	Holland
Brewster	Ellender	Inouye
Byrd, W. Va.	Ervin	Javits
Cannon	Fong	Jordan, N.C.
Case	Gore	Kennedy, Mass.



Kennedy, N.Y.	Morse	Russell
Long, Mo.	Morton	Smathers
Long, La.	Nelson	Smith
Magnuson	Neuberger	Sparkman
McGee	Pastore	Stennis
McGovern	Pell	Symington
McIntyre	Proxmire	Tydings
McNamara	Randolph	Williams, N.J.
Mondale	Ribicoff	Young, Ohio
Monroney	Robertson	

## NOT VOTING—16

Byrd, Va.	Jackson	Saltonstall
Dodd	Johnston	Scott
Dominick	McCartay	Talmadge
Fulbright	Moss	Yarborough
Gruening	Muskie	
Hickenlooper	Pearson	

So the amendment offered by Mr. HRUSKA, for himself and other Senators, was rejected.

Mr. RANDOLPH. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. COOPER. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. GORE. Mr. President, I have been present during much of the debate on the pending bill. I move to strike out section 405. I will take 2 minutes.

The VICE PRESIDENT. Will the Senator from Tennessee restate his amendment?

Mr. GORE. Mr. President, I take 2 minutes time and move to strike out section 405.

The VICE PRESIDENT. The Senator from Tennessee is recognized.

Mr. GORE. I have been present during much of the debate on the pending bill. I rise to express my gratitude to and my admiration for the able, adroit, considerate, and effective way in which the distinguished Senator from West Virginia [Mr. RANDOLPH] has conducted the debate and piloted this bill to the threshold of passage by the Senate.

The State of West Virginia is in the heart of the region known as Appalachia. Therefore, the citizens of West Virginia can be rightfully proud of the diligence which their senior Senator has displayed in the passage of this bill, rightfully proud of his knowledge of the problems of this great, this beautiful but this blighted area, and rightfully proud of the esteem in which he is held by all Senators.

I congratulate the senior Senator from West Virginia [Mr. RANDOLPH] and express the appreciation of the people of Tennessee, many of whom are likewise living in the Appalachian region, for the diligence and ability he has shown in bringing this bill to successful passage.

I withdraw my amendment.

Mr. BYRD of West Virginia. Will the Senator yield 1 minute to me?

Mr. RANDOLPH. I yield 1 minute to my colleague.

Mr. BYRD of West Virginia. Mr. President, in view of the fact that the Senate is now operating under a unanimous-consent agreement as to time, it will not be my intention to speak at this point except briefly. As a cosponsor of S. 3, I wish to state that I enthusiastically support the bill and that, as a member of the Appropriations Committee, I shall work to secure adequate funds for the implementation of the programs envi-

sioned by this act. These programs will be very beneficial in that they will provide for the mounting of a regional attack upon problems confronting Appalachia.

I wish to compliment my colleague, Senator RANDOLPH, for the excellent work that he has done in conducting the Senate Public Works Committee hearings on this legislation and in bringing S. 3 to its present stage of development in the Senate. A similar bill passed the Senate under his managership by a large majority during the last Congress, and I am confident that the Senate will today pass the bill presently under discussion.

I commend President Johnson on his support of this legislation, and I hope that the House of Representatives will act quickly to enact the bill in that body so that the President's drive to stimulate the economy of Appalachia may be accelerated and made more meaningful.

I thank my colleague for yielding.

Mr. RANDOLPH. We of the Public Works Committee are appreciative of, and I am personally grateful for the generous remarks of my able colleague from West Virginia. He is, indeed, a diligent and effective member of the Appropriations Committee, and I know we can count upon his faithful attention to the need of adequate funding for the Appalachian program. He is a cosponsor of this legislation, as he was of its predecessor last year. His support has been valuable.

The VICE PRESIDENT. The bill is open to further amendment. If there are no further amendments—

Mr. RANDOLPH. Mr. President, I ask unanimous consent to proceed, without regard to the offering of amendments, for 2 minutes.

The VICE PRESIDENT. The Senator from West Virginia is recognized for 2 minutes.

Mr. RANDOLPH. Mr. President, from the Committee on Public Works this measure has been brought to the Senate to aid the Appalachian region.

I wish to express the very sincere appreciation, first of all, to the Senator from Tennessee [Mr. GORE] for his personal words about me. I shall always cherish this expression from him.

I express my thanks to all the Members of the Committee on Public Works. I commend the Senator from Kentucky [Mr. COOPER], as I commended him last week, for the diligence with which he has pursued this bill to hoped-for final passage within a matter of minutes.

At all times, even though we have had differences, we have had a sincere desire to proceed constructively in the consideration of this bill.

I thank the Members of both the majority and minority within the committee. I express my tribute to the staff members of the Committee on Public Works, the chief clerk, Ron M. Linton, and, at this time to invite the attention of the Senate to the services of Richard B. Royce, the professional staff member, who has stood at my side during the consideration of this proposed legislation.

Mr. President, the passage of the proposed legislation, the further passage of

the bill in the House, and final enactment by signature of the President of the United States, I hope by April 1st, will bring not only new opportunities to 15 million people in this region but also will give them the opportunity to realize that it involves more than payments of public welfare, that there are programs of public works and resource development which will be instituted in this area. These programs will bring a new surge of economic development to the area, which will be reflected in the further sustained prosperity of the Nation as a whole.

Mr. President, if no other Senator desires time, I ask unanimous consent—

Mr. COOPER. Mr. President, it has been a great honor and opportunity to work with the distinguished chairman of this committee and its members in the development of this bill. I want to pay tribute to the great work and leadership of the distinguished senior Senator from West Virginia, and I want to say that his understanding and patience has been reflected in the consideration and deliberation given to this bill by all of the members of the Public Works Committee, and of the Senate.

Although some members of the committee opposed certain features of the bill, I believe that on the whole the debate in committee and on the floor has been very constructive. I believe it is a bill which is national in its purpose, although it is directed toward a region; and I believe that it is a carefully constructed bill which has grown out of much thought and effort in the States and in the Senate over the last 6 years.

I recall that in 1959, when I first introduced a bill looking to the coordination of such programs as are included in this legislation, the concept of area development was just gaining wider interest. If this bill now enjoys the success we hope, it may very well serve, and properly so, as a model after which other parts of our country may seek to develop carefully constructed development programs based on initial effort and consultation and coordination in and by the people and officials of the areas affected.

From my own observation, this has already given hope to the people of this region, as they have looked toward its enactment. I hope very much that the States will continue to give the same creativity and spirit of cooperation to the administration of this program that they have in its development. I believe it could be a model type of program, demonstrating how to achieve the fuller development of what I have called in years past the underdeveloped regions of our country, and I think our debate in the Senate has contributed to the strength of the program on which we now vote.

Mr. HOLLAND. Mr. President, inasmuch as I voted against the so-called antipoverty bill, and as I intend to vote this year, as I did last year, for the pending bill, I should like to preserve in the Record a brief statement as to why I regard this type approach as vastly preferable to the shotgun approach—if I may use that term—of the antipoverty bill.

I am familiar with several of the areas covered by the pending bill, particularly



the State which is so ably represented by the distinguished Senator who has handled the bill on the floor, the Senator from West Virginia [Mr. RANDOLPH], and certain areas in Pennsylvania and eastern Kentucky, as well as other areas where there is no question that poverty is rampant and is holding back the progress of very fine people who are relatively without reasonable opportunity for self-advancement.

I favor this type of approach because it is addressed to an area which very badly needs some of the advantages which are sought to be given, in part, at least, by the provisions of this bill.

I know from personal experience how rugged is much of the terrain and how difficult of access it is.

I particularly approve of the fact that a majority of the money proposed to be used in the bill is to be used in the giving of better highway transportation than has ever been available or even possible under former conditions and present conditions obtaining there.

The other objectives of the bill are good, such as health improvement in the communities, through giving them health facilities; also the emphasis on reforestation, because much of this area will have to depend on reforestation; also land erosion control in steep and inaccessible places; and all the other features of the program, which I shall not mention.

In my judgment this kind of approach, meeting the needs of the region involved—and the whole Nation knows what it is to be suffering from poverty—is the type of approach that we ought to adopt, rather than a broad, general program which will set up an administration from one end of the Nation to the other, with all of the objections that necessarily arise from that kind of administration.

I am glad to support the bill. I hope it will bring—and I believe it will—much better conditions to a large number of American people who by any reasonable standard are now underprivileged as compared with the great majority of our people. I hope the bill will be enacted.

Mr. RANDOLPH. I am grateful for the comments of the distinguished senior Senator from Florida and am most appreciative of the support he gives this measure. He has family ties to West Virginia and Appalachia and he knows our people and our problems. We hold him in highest esteem.

Mr. BASS. Mr. President, in the closing minutes of the debate on the pending measure, I rise to join my senior colleague from Tennessee [Mr. GORE] in paying tribute to the able leadership of the senior Senator from West Virginia [Mr. RANDOLPH] in the management of the pending bill and the leadership he has shown, not only in committee, but also on the floor of the Senate.

Last year he did an able job in having the proposed legislation passed by the Senate, although it was not passed in the other body. He came back this year with the same diligence and dedication to duty, and has brought it back to the Senate as the first piece of major legislation during this session of Congress.

I believe that the people of West Virginia owe him a separate and individual tribute and vote of thanks for the work he has done.

Not only do the people of West Virginia owe him that vote of thanks, but also the people of Tennessee and the other States in the Appalachian region, as well as all the people of America. They all owe him a vote of confidence and commendation for the work he has done.

He has been patient. He has been able to answer every question that has been asked of him on this very important and technical legislation.

I deem it an honor to be privileged to tender the Senator from West Virginia my personal thanks and the thanks of the people of the State of Tennessee for the work he has done on this very important piece of legislation.

Mr. RANDOLPH. The junior Senator from Tennessee continues in this body the distinguished record of service to his State which he established in the House of Representatives. I welcome this occasion to serve with him in advancing the welfare of our region and our Nation, and I am deeply appreciative of his remarks concerning my role in this effort.

#### REGIONAL AREAS

Mr. McGEE. Mr. President, many of the problems which have plagued the Appalachian region, and which we rightfully seek to solve, are the same as those which have hindered the economic growth of the State of Wyoming and of the entire upper Great Plains and Rocky Mountain region.

As I mentioned in my remarks on January 22 in support of Senate bill 662, introduced by the junior Senator from South Dakota [Mr. McGOVERN], on behalf of himself, the junior Senator from Montana [Mr. METCALF], the junior Senator from North Dakota [Mr. BURDICK], and me, to create an Upper Great Plains Regional Development Act, the problems of poverty that we face in Wyoming may not be as graphic or as concentrated as they are in Appalachia, but they exist nonetheless.

For example, throughout the United States an average of 21.4 percent of our families must exist on incomes of less than \$3,000 a year. Six of Wyoming's 23 counties have a low-income percentage substantially above the national average, reaching as high as 28.5 percent in one instance. These figures represent not only those with low incomes whose jobs do not provide them with sufficient funds to enable them to live on anything other than a marginal scale, but also those who, through unemployment, have no incomes whatsoever.

In addition to the problems of poverty and unemployment, Wyoming, like Appalachia, has seen a flourishing coal industry all but succumb to the technological changes in fuel usage. This industry had a potential to provide a backbone of economic support for industrial expansion and development. That potential now lies moribund.

We in the upper Great Plains also suffer from inadequate transportation and communication networks. Perhaps in Appalachia the distances are measured

more up and down than are those in our wide open spaces; but distance and its attendant problems are there, nonetheless.

I would also note, Mr. President, that if the present indications of curtailment of many of the agricultural-support programs and other aids to the small farmer are confirmed, our problems in Wyoming will be severely—and, I should think, unnecessarily—aggravated by the creation of a large number of unemployed who previously had been small farmers, and who had, in addition to supporting themselves and their families, provided the economic backbone to many small agricultural communities across the State and the region.

The picture this situation paints is not a pretty one, Mr. President. Furthermore—and perhaps this is more dangerous—it is not an obvious one, for side by side with this poverty, progress exists. We in Wyoming have a good record for economic growth and development. Many of our people have more than adequate incomes, and have very successfully made the adjustment to space-age technology and economics; but I am convinced that until all our people have bridged this gap, we cannot and we must not claim that we are presently living up to our potential for human and economic progress.

Mr. President, the proposals outlined earlier today by the majority leader [Mr. MANSFIELD] seem to me to be a reasonable and potentially effective method of establishing the means with which to combat the problems I have mentioned. I am anxiously awaiting an opportunity to examine in detail these proposals, so that we can move ahead as soon as possible with this important work.

#### STATEMENT BY SENATOR SCOTT

Mr. COOPER. Mr. President, I ask unanimous consent that there be printed in the body of the RECORD a statement by the distinguished Senator from Pennsylvania [Mr. SCOTT], who is unavoidably absent.

Senator SCOTT was one of the first sponsors and supporters of the Appalachian Regional Development Act. He has proposed helpful amendments. He has brought his broad knowledge to our hearings and to the debate on the floor of the Senate. He has fought hard, effectively, and with sympathy for the people of Pennsylvania, in connection with the development and the passage of the Appalachian Regional Development Act of 1965.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR SCOTT ON SENATE BILL 3

I regret that I am unable to vote on the question of the passage of S. 3, the Appalachian Regional Development Act of 1965, of which I have the honor to be a cosponsor. My absence is occasioned by a longstanding engagement in England, to attend the Ditchley Foundation conference on Anglo-American relations, to which I and a group of Senators and Representatives, headed by the distinguished chairman of the Committee on Foreign Relations, Mr. FULBRIGHT, were invited by Her Majesty's Government.

Nevertheless, I take this opportunity to reiterate my support of this proposed legisla-



tion. The report of the President's Appalachian Regional Commission, issued in April of last year, and subsequent hearings in committees of both Houses of Congress have demonstrated convincingly the need for an economic development program to be undertaken by a partnership of the Federal Government, the States, and local communities throughout Appalachia, so that the region can share in the prosperity enjoyed by most of the rest of our great Nation.

I am especially gratified that the Committee on Public Works accepted an amendment to S. 3 jointly proposed by my colleague [Mr. CLARK] and me, at the request of the Governor of Pennsylvania, William W. Scranton. As a result, the bill now authorizes funds to assist the Appalachian States in reclaiming and rehabilitating strip mined lands. This new provision in the bill will in no way detract from the desirability or necessity of the strip mine study to be undertaken by the Secretary of the Interior. My Commonwealth of Pennsylvania, however, has already completed many studies in this field, and is therefore, prepared to move to the action stage.

This feature of Senate bill 3 and the development highway construction program and the assistance to deal with the problems of coal mine subsidence and underground mine fires are of great significance to my Commonwealth. Therefore, I am satisfied with this bill as presently drafted, and urge its passage by the Senate.

Mr. RUSSELL. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill is open to further amendment. If there is no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. Pursuant to the unanimous-consent agreement the Senate will now vote. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SALTONSTALL (when his name was called). On this vote I have a pair with the junior Senator from Kansas [Mr. PEARSON]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. SIMPSON (when his name was called). On this vote I have a live pair with the junior Senator from Pennsylvania [Mr. SCOTT]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. LONG of Louisiana. I announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska

[Mr. GRUENING], the Senator from Washington [Mr. JACKSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Maine [Mr. MUSKIE], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I also announce that the Senator from Texas [Mr. YARBOROUGH] is absent because of illness.

I further announce that the Senator from Connecticut [Mr. DODD], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Utah [Mr. MOSS] are necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Washington [Mr. JACKSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Georgia [Mr. TALMADGE], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

On this vote, the Senator from Connecticut [Mr. DODD] is paired with the Senator from Iowa [Mr. HICKENLOOPER]. If present and voting, the Senator from Connecticut would vote "yea" and the Senator from Iowa would vote "nay."

On this vote, the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from Colorado [Mr. DOMINICK]. If present and voting, the Senator from South Carolina would vote "yea" and the Senator from Colorado would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. DOMINICK], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Kansas [Mr. PEARSON], and the Senator from Pennsylvania [Mr. SCOTT] are absent on official business.

On this vote, the Senator from Colorado [Mr. DOMINICK] is paired with the Senator from South Carolina [Mr. JOHNSTON]. If present and voting, the Senator from Colorado would vote "nay" and the Senator from South Carolina would vote "yea."

The pair of the Senator from Pennsylvania [Mr. SCOTT] has been previously announced.

The pair of the Senator from Kansas [Mr. PEARSON] has been previously announced.

On this vote, the Senator from Iowa [Mr. HICKENLOOPER] is paired with the Senator from Connecticut [Mr. DODD]. If present and voting, the Senator from Iowa would vote "nay" and the Senator from Connecticut would vote "yea."

The result was announced—yeas 62, nays 22, as follows:

[No. 11 Leg.]

YEAS—62

Alken	Dirksen	Kennedy, N.Y.
Anderson	Douglas	Kuchel
Bartlett	Ervin	Lausche
Bass	Fong	Long, Mo.
Bayh	Gore	Long, La.
Bennett	Harris	Magnuson
Bible	Hart	Mansfield
Brewster	Hartke	McGee
Burdick	Hayden	McGovern
Byrd, W. Va.	Hill	McIntyre
Cannon	Holland	McNamara
Case	Inouye	Metcalf
Church	Javits	Mondale
Clark	Jordan, N.C.	Monroney
Cooper	Kennedy, Mass.	Montoya

Morse  
Morton  
Nelson  
Neuberger  
Pastore  
Pell

Prouty  
Randolph  
Ribicoff  
Russell  
Smathers  
Smith

Sparkman  
Symington  
Tydings  
Williams, N.J.  
Young, Ohio

NAYS—22

Allott  
Boggs  
Byrd, Va.  
Carlson  
Cotton  
Curtis  
Eastland  
Ellender

Fannin  
Hruska  
Jordan, Idaho  
McClellan  
Miller  
Mundt  
Murphy  
Proxmire

Robertson  
Stennis  
Thurmond  
Tower  
Williams, Del.  
Young, N. Dak.

NOT VOTING—16

Dodd  
Dominick  
Fulbright  
Gruening  
Hickenlooper  
Jackson

Johnston  
McCarthy  
Moss  
Muskie  
Pearson  
Saltonstall

Scott  
Simpson  
Talmadge  
Yarborough

So the bill (S. 3) was passed.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. COOPER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### LEGISLATIVE PROGRESS AND LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, if we may have the attention of the Senate for a moment, I should like to query the majority leader as to what will be scheduled by way of Senate business tomorrow and, so far as he knows, for the remainder of the week.

Mr. MANSFIELD. Mr. President with the permission of the distinguished minority leader, I should like to furnish a little background as to what the Senate has been able to accomplish so far.

Thanks to the outstanding leadership shown by the distinguished Senator from Maine [Mr. MUSKIE] and the distinguished Senator from Delaware [Mr. BOGGS], the Senate was able to pass the water pollution control bill.

Under the management of the chairman of the Committee on Government Operations, the distinguished Senator from Arkansas [Mr. McCLELLAN], the Senate has passed a bill to create a Joint Committee on the Budget.

Thanks to the indefatigable Senator from Alabama [Mr. SPARKMAN], a veterans' housing bill has once again been passed.

A resolution has been adopted for the study of methods to help provide for relief from future flood and earthquake disasters, a measure sponsored by the distinguished Senator from New Jersey [Mr. WILLIAMS]. Both the latter measures were ably aided and abetted by the distinguished Senator from Virginia, the chairman of the Committee on Banking and Currency [Mr. ROBERTSON].

Also, under the leadership of the distinguished Senator from Alabama [Mr. HILL], chairman of the Committee on Labor and Public Welfare, the Senate has passed a bill to encourage physicians and dentists to practice in shortage areas, a bill, by the way, which has had the very strong, personal interest of the distinguished Senator from New Hampshire [Mr. CORTON] for many years.



"Champagne Music"; and that theme has stayed with him to this day.

The band's first engagement at the Aragon Ballroom, in Ocean Park, Calif., in 1946, marked the beginning of Welk's success on the west coast.

In 1951 the manager of the Aragon Ballroom offered the band a 4-week contract to perform over KTLA, a local Los Angeles station. The show was so popular that it stayed on; and 4 years later it was among the top 10 of all programs in southern California.

In 1955, the "Lawrence Welk Show" joined the ABC television network; and soon "Champagne Music" with its unique ability to make people just sit back and be happy, was flowing into the living rooms of millions of weekly viewers.

Mr. President, as one musical writer once said, there is indeed "a touch of America in this genial, wholesome maestro's lilting, danceable music."

His story is one of dedication to the highest ideals of showmanship; and his popularity is ample proof that good taste and sound judgment are still part of the American community.

I salute this son of North Dakota, and ask unanimous consent that a character sketch of Mr. Welk, from *Celebrity Register*, be printed at this point in the *RECORD*.

There being no objection, the article was ordered to be printed in the *RECORD*, as follows:

#### LAWRENCE WELK

The Welk vintage of "champagne" music has made him one of the richest maestros in the ballroom music business and one of the most popular. His gaiety and smiling friendliness have won over countless women, men, and children, who dig the smooth, simple sounds that bubble like froth out of the television set for 2 hours each week (an unprecedented time span for a musical program). Welk has said that his music may not be "sophisticated, or new, or clever, or smart" (*Variety* has called him a genius in schmaltz), but he wants it that way so that everyone can understand. "You have also to show a little friendliness, let's say it that way, and you do the things you know you can do." To promote this sense of contentment and well-being he pays his band members some of the highest salaries around and gives them pep talks when spirits are sagging.

Born into a farming family in North Dakota, March 11, 1903, young Lawrence restrained his musical ambitions until he was 21 because his family feared he would learn "worldly ways." But once out, he toured with his Lawrence Welk Novelty Orchestra which featured a Hawaiian guitar player as well as Lawrence himself on the accordion (the one he owns today cost \$5,000). Later, he formed the Hotsy Totsy Orchestra and broadcast from his home State to farm audiences. About 1934, to sponsor a show, Welk promoted a Honolulu fruit chewing gum. Shipped in from San Francisco it was sold in his own wrappers until Wrigley wrote him that it wasn't such a good idea since both their names began with a "W." Lawrence dropped the chicle line but has had few troubles with sponsors since. Married in 1930 to a former nurse, Fern Renner (children: Shirley, Donna, Lawrence, Jr.), he lives quietly in California.

His high standing with Coral Records is due to his perennially big selling albums with such titles as "Bubble in Wine" and "Sparkling Springs." "Basically I'm a musician," he has said and has given strict orders to his producer and arranger to "watch the lyrics. When children are listening, I don't want

to give them a smutty thought." For this wholesomeness Welk was voted in 1956 as the father of the year and as the man with the best musical show of the year by the National Ballroom Operators of America. His television shows, "Lawrence Welk's Top Tunes and New Talent" and "The Lawrence Welk Show," have prime time on ABC's television channel. Over his 25 years in show business, there has been little change in his musical formula: muted horns and strings pouring out simple arrangements with a light foottapping beat. Welk is content with that. "As long as I stay with my own audience," he once told his wife, "I'm a winner."

#### INDIANA DUNES NATIONAL LAKE-SHORE

Mr. DOUGLAS. Mr. President, the strong nationwide support for the Indiana Dunes National Lakeshore is well shown by the fact that 33 Senators now sponsor Senate bill 360, to establish the lakeshore, which the Senator from Washington [Mr. JACKSON] introduced on January 8, and which the Senate passed last year.

The widespread support of the bill is also indicated by the favorable comment, in newspapers throughout the country, by editors and conservation writers and editors. The able conservation editor for the *Scripps-Howard* newspapers, Edward J. Meeman, recently wrote a very encouraging personal call for the rescue of the Dunes in the proposed National Lakeshore Park. I ask unanimous consent that Mr. Meeman's editorial, as published in the *Cincinnati Post* and *Times Star* of January 23, 1965, be printed in the *RECORD*.

There being no objection, the editorial was ordered to be printed in the *RECORD*, as follows:

#### PRESERVING INDIANA'S DUNES—PARK BILL SET FOR PASSAGE IN 1965 (By Edward J. Meeman)

The 88th Congress earned the name of "the conservation Congress" because of its achievements in the historic Wilderness Preservation Act, the land and water conservation fund, the Fire Island National Seashore, the Ozark National Rivers, and other measures.

It also left to its successor, the 89th Congress, a rich heritage of legislation in process.

High on this list is the bill to create the Indiana Dunes National Lakeshore which has just been reintroduced by Senator HENRY M. JACKSON, chairman of the Interior Committee, and cosponsored by Senators VANCE HARTKE and BIRCH BAYH, of Indiana, and Senator PAUL DOUGLAS, of Illinois. DOUGLAS has championed the measure because the dunes lie just east of Chicago where live millions of his summer-sweating constituents who like to escape to this stretch of Lake Michigan beach, overlooked by ancient heaps of wind-blown sand anchored by rare vegetation.

The bill is in the exact form in which it passed the Senate in the last session. It has been endorsed by President Johnson, as a similar bill had been endorsed by President Kennedy. It is backed by the national conservation organizations. It will pass if the industrial and real estate interests which oppose it recognize that this administration bill is the final compromise, that so many thousands of acres have already been eliminated from the project that future compromise is out of the question. It will, if conservationists recognize that this is the best that we can do.

The bill sets aside forever as a permanent

possession of the American people about 11,300 acres of land. This includes the 2,182 acres of the existing Indiana Dunes State Park, which will remain separately managed. The State park will become part of the national lakeshore only when the State of Indiana is willing to give it up. The proposed national park has a shoreline of 10.8 miles.

More generous terms than are usually provided to existing residents of a natural area about to be taken over, are in this bill. Senator DOUGLAS states them as follows:

"Owners of an improved property, which is within the lakeshore boundaries, defined as a detached, one-family dwelling construction of which was begun before October 21, 1963, may forever retain their home in ownership and use, together with land on which it is located, or they may lease it, sell it or will it to their heirs. They may also sell it to the Government under a lease agreement for a period up to 25 years."

Not long ago I walked this beautiful shore and looked up with awe at these irreplaceable dunes. May they always be there for future generations to enjoy. This is the hour to assure that destruction of these dunes shall be halted, and this invaluable treasure in the heart of the Nation shall be forever inviolate.

#### GENERAL LEMAY—"MR. AIR FORCE"

Mr. BENNETT. Mr. President, today one of America's foremost airmen and one of its foremost generals steps down. I speak, of course, of Gen. Curtis Emerson LeMay, the Chief of Staff of the Air Force, who is retiring this afternoon.

General LeMay—who has been "Mr. Air Force" for so long—is perhaps the most feared American in the eyes of the Soviet Union and Red China.

He was asked to keep America safe through the cold war; and he did his job well.

Murray Moler, of the *Ogden Standard Examiner*, one of Utah's leading newspapers, has penned an excellent tribute to General LeMay which deserves wide distribution. I ask unanimous consent to have printed at this point in the *RECORD* this appropriate editorial comment, which was published in the *Standard Examiner* on January 24, 1965. The editorial is entitled "U.S. Air Force Won't Seem the Same After Gen. Curtis LeMay Retires."

There being no objection, the editorial was ordered to be printed in the *RECORD*, as follows:

#### U.S. AIR FORCE WON'T SEEM THE SAME AFTER GEN. CURTIS LEMAY RETIRES

February 1 is an historic date in the history of the U.S. Air Force.

On February 1, 1930, a 23-year-old Ohioan named Curtis Emerson LeMay received a commission in the Army Air Corps as a second lieutenant. He'd just received his wings at Kelly Field in Texas.

On February 1, 1965, this same Curtis LeMay—long a four-star general—retires from the Air Force which he has headed as Chief of Staff since July 1, 1961.

These 35 years span one of the most turbulent periods in the history of the world.

The growth of U.S. military aviation has been a major factor—in war and in peace—during these last two generations.

And "Curt" LeMay, to his thousands of admirers, has personified the Air Force—its development from a fledgling service to maturity as the top deterrent arm in the American arsenal.



Younger officers in the Air Force refer to General LeMay as simply "The Chief."

Veterans in the military aviation—and many of the correspondents who've also come to know and admire this husky, cigar-chewing man—fondly call him "The Bomber."

He earned this nickname by his long fight for superiority of the American bombing force and his constant insistence, even as long range missiles were introduced, that the manned aircraft retain a significant role.

The Air Force just won't seem the same without General LeMay up there on top.

His successor as Chief of Staff, Gen. John P. McConnell, is an able, experienced flier, commander, and administrator.

But General McConnell doesn't have the color, the flair, that General LeMay has. No one else in the Air Force does, for that matter.

Stories about General LeMay can—and have—fill a book.

We've known him since World War II days, when, after helping direct the B-17 raids on Germany, he came out to the Pacific Theater of Operations to direct the B-29 attacks on Japan.

When Japan surrendered, we were with the 20th Air Force commander when he surveyed the damage done by his fire bombers on the key cities of Japan.

It was a sober General LeMay who looked over the ruins and read the lists of the civilian casualties.

He wasn't a killer by nature and his sorrow at the suffering showed it.

But, as he expressed his feelings, it was obvious to accompanying newsmen that he believed that the heavy bombardments from the air had actually reduced casualties—both Japanese and American—because they forced the enemy to its knees without the blood bath of an actual invasion.

We saw General LeMay again during the Bikini atomic bomb tests of 1946. He was reflective then, too, as he calculated the changes that would be made in the world's fighting machines with perfection of nuclear weapons.

That's when he pushed construction of the six-engined B-36 superheavy bomber—a plane that could fly long distances and carry tremendous loads of atomic weapons. The B-36 never dropped a bomb in anger—but, with General LeMay directing its deployment, it played a major role in keeping the peace.

After organizing air operations for the Berlin air lift, General LeMay really came into his element when he was ordered to set up the Strategic Air Command, whose headquarters he placed in the heart of America near Omaha.

From "the cave," SAC's underground operations control center dug into the banks of the Missouri River, Curt LeMay ranged far and wide.

He helped select SAC's motto—"Peace Is Our Profession"—to show that the bomber forces were there to keep U.S. strength so mighty that no enemy dare attack us.

He was a "nut"—and we use this in a favorable sense—about security.

"The Bomber" instilled in his officers and men a constant fear that subversive elements would infiltrate a SAC base—or put a destructive grenade aboard key aircraft.

He made spot checks, day and night, on patrols assigned to guard parked aircraft.

He ordered that everything brought aboard a plane be closely checked.

In March 1956 we were aboard a SAC B-29 weather plane on a 19-hour flight from Eilsen Air Force Base, near Fairbanks, up over the North Pole country.

Well along on the course over the Arctic Sea, a major who was serving as aircraft commander reached under his seat for his lunch box.

As he opened the lid, his face blanched.

Instead of the expected ham sandwich, there was a red-painted beer can. On its side was inscribed "The Bomb."

It wasn't a bomb, of course. But it could have been.

When we returned to base, that major had some explaining to do to get off the hook for not following all security regulations that General LeMay had ordered.

He was also a "ham" radio operator. When at SAC headquarters he and his deputy commander, Lt. Gen. Francis V. (Butch) Griswold, also a radio hobbyist, worked out a system of communications second to none in the world.

They placed aboard B-52's, B-47's and KC-135 tankers gear called "single sideband" radio. Its clarity was tremendous. So was its range.

Its objective was to guarantee that all weapons-carrying aircraft, including those on "aerial alert," were in close touch with SAC headquarters at Offutt Air Force Base, Omaha. It was part of the "positive control" program to preclude "war by accident."

In the fall of 1957, General LeMay was at the controls of a KC-135 that flew nonstop, without refueling, for 6,322 miles in 13 hours and 2 minutes from Westover Air Force Base, Mass., to Buenos Aires, Argentina.

During the flight, we talked with the general as he was over the jungles of Brazil. We'd called from the UPI desk in Omaha over the single sideband system.

General LeMay's voice came back over the miles loud and clear. You could, despite the distance, feel his pride of accomplishment.

That was his long suit—pride. He had it all the way.

He was equally proud of the missiles, when they came into service. But he always insisted that it would take a flexible "mixed" force of manned planes and unmanned rockets to keep America safe.

And keep America safe is what Gen. Curtis LeMay, who retires early next week, has helped accomplish so well for so many years.

#### SECTION-BY-SECTION ANALYSIS OF THE APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

Mr. BYRD of West Virginia. Mr. President, as one of the cosponsors of S. 3, and as a member of the Senate committee which will be requested, over a period, to appropriate not to exceed \$1,092,400,000 for implementation of its provisions, I have made a section-by-section analysis of the act as it passed the Senate earlier today. Feeling that such an analysis may be informative and useful, I ask unanimous consent to have it printed at this point in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

#### MEMORANDUM IN EXPLANATION OF THE APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

##### STATEMENT OF PURPOSE

The purpose of the act is to assist the States in the Appalachian region in meeting their special problems, to promote their economic development, and to establish a framework for joint Federal and State efforts toward attacking problems common to Appalachia. Public investments made under the act shall be concentrated in areas where there is a significant potential for future growth and where the expected return on public dollars invested will be the greatest. The States will be responsible for recommending local and State projects, within their borders, which will receive assistance under the act.

#### TITLE I—THE APPALACHIAN REGIONAL COMMISSION

##### Membership and voting

Under section 101, an Appalachian Regional Commission is established. It shall be composed of one Federal member, referred to as the "Federal Cochairman," and one member from each participating State in the Appalachian region. Each State member may be the Governor, or his designee, or such other person as may be provided by the law of the State represented. The State members of the Commission shall elect a cochairman of the Commission from among their number.

Decisions by the Commission shall require the affirmative vote of the Federal Cochairman and of a majority of the State members. Each State member shall have an alternate, appointed by the Governor or as otherwise provided by his State's law. The alternate shall vote in the event of the absence, death, disability, or resignation of the primary representative. Each State member and his alternate shall be compensated by the State represented, but the Federal Cochairman shall be compensated by the Federal Government.

##### Functions of the Commission

Under Section 102, the Commission shall, among other things:

1. Develop comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State and local planning in the region.

2. Conduct and sponsor investigations, research, and studies, including an inventory and analysis, of the resources of Appalachia, and cooperate with Federal, State and local agencies in sponsoring demonstration projects designed to foster regional productivity and growth.

3. Review and, where appropriate to increase the effectiveness thereof, recommend modifications or additions to Federal, State and local public and private programs.

4. Work with State and local agencies in formulating and recommending, where appropriate, interstate compacts and other forms of interstate cooperation, and in developing appropriate model legislation.

5. Encourage the formation of local development districts.

6. Encourage private investment in industrial, commercial and recreational projects.

7. Serve as a focal point and coordinating unit for Appalachian programs.

8. Establish and utilize citizens advisory councils and conferences and provide a forum for public consideration of problems and proposed solutions thereto of the region.

9. Advise the Secretary of Commerce on applications for grants for administrative expenses to local development districts.

##### Recommendations

Under section 103, the Commission may make recommendations to the President and to the State Governors and appropriate local officials regarding the expenditure of funds by Federal, State, and local agencies throughout Appalachia in the fields of natural resources, agriculture, education, training, health and welfare, and other fields related to the purposes of the act; the Commission may also make recommendations to the President and State Governors and appropriate local officials with respect to such additional Federal, State, and local legislation or administrative actions as the Commission deems necessary to further the purposes of the act.

##### Liaison between Federal Government and the Commission

Section 104 provides for the effective and continuing liaison between the Federal Government and the Commission, and a coordi-



nated review within the Federal Government of the plans and recommendations submitted by the Commission pursuant to sections 102 and 103.

#### *Administrative expenses of the Commission*

Section 105(a) provides that the administrative expenses of the Commission shall be paid by the Federal Government for the period ending on June 30 of the second full Federal fiscal year following the date of enactment of the act. Thereafter such expenses shall be paid equally by the Federal Government and the States in the region. No assistance may be furnished to any State delinquent in payment of its share of such expenses.

Section 105(b) authorizes not to exceed \$2,200,000 to defray the administrative expenses of the Commission as provided in this section.

#### *Administrative powers of the Commission*

Section 106 provides the Commission with the standard powers of administration in order to conduct its business, fulfill its functions and achieve its objectives under the act. The Commission is authorized, among other things, to accept, use, and dispose of gifts or donations of services or property, real, personal or mixed, tangible or intangible. The Commission is also authorized to enter into such contracts, leases, cooperative agreements or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency or instrumentality of the United States or with any State, or any political subdivision or instrumentality thereof, or with any person, firm, association, or corporation. The Commission is also authorized to maintain a temporary office in the District of Columbia and establish a permanent office at such a central and appropriate location as it may select and field offices at such other places as it may deem appropriate.

#### *Information*

Section 107 authorizes the Commission, in order to obtain information needed to carry out its duties, to hold hearings, sit and act, at such times and places, take such testimony and receive such evidence as it may deem advisable. The Commission is also authorized to secure such pertinent information as may be available from appropriate Federal, State and local agencies.

#### *Personal financial interests*

Section 108 provides that no State member and no officer or employee of the Commission shall participate personally in any proceeding, application or other particular matter in which he, his spouse, minor child, partner, or organization in which he is serving as an officer, director, trustee, etc., has a financial interest except when such interest is fully disclosed and the Commission expressly determines that the provision may be waived. Violators are to be punished by fine and/or imprisonment, and the Commission is given discretion to void and rescind any contract or other transaction in relation to which the violation occurred.

### TITLE II. SPECIAL APPALACHIAN PROGRAMS

#### *Part A—New programs*

##### *Appalachian Development Highway System*

Section 201(a) authorizes the Secretary of Commerce to assist in the construction of an Appalachian development highway system to serve the Appalachian region. The system is not to exceed a total of 2,350 miles in length. Additionally, not to exceed 1,000 miles shall be local access roads that will serve specific recreational, residential, commercial, industrial or other like facilities or will facilitate a school consolidation program. The system, in conjunction with the Interstate System and other Federal-aid

highways in the region, will open areas with development potential where commerce and communication have been inhibited by lack of adequate access. The provisions of title 23, United States Code, that are applicable to Federal-aid primary highways, shall also apply to the Appalachian development highway system and the local access roads, unless the Secretary of Commerce affirmatively waives such provisions as being inconsistent with this act.

These highways will not be constructed with the particular objective in mind of easing traffic congestion. Rather, they will be built as instruments of economic development. They will do so by opening up areas to development which have not heretofore been developed because of their remoteness and isolation. They will provide the means to insure that the industrial, recreational, and tourism potential is realized.

The funds for this program shall be provided from the general fund rather than from the highway trust fund.

Section 201(b) provides that the Appalachian Regional Commission shall submit to the Secretary of Commerce its recommendations with respect to (1) the general corridor location and termini of the development highways; (2) the designation of local access roads to be constructed; (3) priorities for construction of local access roads and of the major segments of the development highways; and (4) other criteria for the program authorized by this section. Before any State member of the Commission participates in or votes on such recommendations, he shall have obtained the recommendations of the State highway department of the State which he represents.

Section 201(c) gives the Secretary of Commerce authority to approve in whole or in part such recommendations or to require modifications or revisions thereof. The Secretary may not, however, approve any recommendation for construction which would require the expenditure of Federal funds (other than funds available under title 23 of the United States Code) in excess of the appropriation authorization in subsection 201(g). On its completion, each development highway not already on the Federal-aid primary system shall be added to that system and must be maintained by the State.

Section 201(d) allows the States to give special preference, in the construction of highways and roads authorized under this section, to the use of mineral resource materials indigenous to the Appalachian region.

Section 201(e) authorizes the Secretary of Commerce, for the purposes of research and development in the use of coal and coal products in highway construction and maintenance, to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 percent of the roads authorized under this act.

Section 201(f) provides that Federal assistance to any construction project under this section shall not exceed 50 percent of the costs of such project, unless the Secretary of Commerce determines, pursuant to the recommendation of the Appalachian Regional Commission, that assistance in excess of 50 percent is required in furtherance of the purposes of this act. In no event, however, shall such Federal assistance exceed 70 percent of the costs of such project.

Section 201(g) authorizes an appropriation of \$840 million to implement this section.

##### *Demonstration Health Facilities*

Section 202(a) authorizes the Secretary of Health, Education, and Welfare to make grants for the construction, equipment, and operation of multicounty demonstration health facilities, including hospitals, re-

gional health diagnostic and treatment centers, and other facilities necessary to health. Grants shall be made solely out of funds specifically appropriated under this act and shall not be taken into account in the computation of State allotments made pursuant to any other provision of law.

Construction grants shall be made in accordance with the applicable provisions of the Hill-Burton Act, as amended, and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963.

Section 202(b) provides that no grant for construction (including initial equipment) shall exceed 80 percent of the cost of the project. Moreover, not to exceed \$41 million of the funds authorized in section 401 shall be available for construction grants under this section.

Section 202(c) provides that grants under this section for operation, including equipment other than initial equipment, of a project may be made up to 100 percent of the costs thereof for the 2-year period beginning on the first day such project becomes operational as a health facility. For the next 3 years of operations such grants shall not exceed 50 percent of the operational costs. No operational grants shall be made after 5 years following the commencement of operations. Not to exceed \$28 million of the funds authorized in section 401 shall be available for operating grants.

The committee report defines the operating cost as the cost of operation of such facilities after deduction of any contributions by States, local governments, private organizations or individuals, and after deducting appropriate charges made for services rendered to individuals at such facilities.

Operational grants shall be available only for those hospitals which are constructed under sections 202 (a) and (b). They will not be available to hospitals already in existence or to those that will be constructed under other public or private programs.

##### *Land Stabilization, Conservation, and Erosion Control*

Section 203(a) authorizes the Secretary of Agriculture, in order to provide for the control and prevention of erosion and to promote conservation and development of soil and water resources in Appalachia, to enter into agreements up to 10 years with landowners and operators providing for land stabilization, erosion, and sediment control; and reclamation through changes in land use, establishment of conservation measures and practices.

Section 203(b) requires the landowner or operator to furnish to the Secretary a conservation and development plan enumerating the land uses and conservation measures mutually agreed upon between the parties.

Section 203(c) requires that such plan be incorporated in an agreement under which the landowner or operator shall promise to implement the planned land uses and conservation measures.

Section 203(d) authorizes the Secretary of Agriculture, in return for such agreement by the landowner or operator, to furnish such financial and other assistance to the landowner or operator as appropriate and in the public interest for implementing the measures agreed upon. Such grants shall not exceed 80 percent of the cost of implementing the measures, and such cost sharing is limited to 50 acres occupied by such owner or operator.

Section 203(e) permits termination of the agreement by the Secretary if he determines that such termination would be in the public interest. Modification of agreements is also permitted under this section.



Section 203(f) permits the Secretary of Agriculture to provide in any such agreement for preservation, for a period not to exceed twice the duration of the period covered by the agreement, of the crop land, crop acreage and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for crop production allotments, etc.

Section 203(g) authorizes the Secretary of Agriculture to issue such rules and regulations as are necessary to implement this section.

Section 203(h) provides that the Secretary of Agriculture, in carrying out the provisions of this section, shall utilize the services of the Soil Conservation Service and State and local committees.

Section 203(i), for the implementation of this section, provides an expenditure of not to exceed \$17 million of the funds authorized under Section 401.

#### Timber Development Organizations

Section 204(a). In order that small individual timber stands may, through good timber management, more fully benefit the Appalachian region, this subsection authorizes the Secretary of Agriculture to provide technical assistance in the organization and operation, under State law, of private timber development organizations having as their objective the carrying out of timber development programs to improve timber productivity and quality, and increase returns to landowners through establishment of private, nonprofit corporations, which on a self-supporting basis may provide (i) continuity of management, good cutting practices and marketing services; (ii) physical consolidation of small holdings or administrative consolidation for efficient management under long-term agreement; (iii) management of forest lands donated to the timber development organizations for demonstrating good forest management, on a profitable and tax-paying basis; and (iv) establishment of a permanent fund for perpetuation of the work of the corporations to be composed of donations, real or personal, for educational purposes.

The Secretary of Agriculture is authorized to provide not more than one-half of the initial capital requirements of such timber development organizations through loans under the applicable provisions of the 1961 Consolidated Farmers Home Administration Act, but such loans shall not be used for the construction or acquisition of facilities for manufacturing, processing, or marketing forest products, or for physical consolidation of small timber holdings authorized by this subsection.

Section 204(b) provides that not to exceed \$5 million of the funds authorized in Section 401 shall be available to carry out this section.

#### Mining Area Restoration

Section 205(a) (1) authorizes the Secretary of the Interior to make financial contributions to States in Appalachia to seal and fill voids in abandoned coal mines. This, in effect, extends the scope of the act of July 15, 1955, regarding the sealing and filling of voids in abandoned coal mines, from the anthracite region of Pennsylvania to the entire Appalachian region.

The Secretary is also authorized to make financial contributions to States to reclaim and rehabilitate existing strip and surface mining areas.

Section 205(a) (2) authorizes the Secretary to plan and execute projects for extinguishing underground and outcrop mine fires in the region. The \$500,000 limit on annual expenditures for control of fires as contained in the act of August 31, 1954, is removed insofar as fires in inactive coal mines in Appalachia are concerned.

Section 205(a) (3) authorizes the Secretary to expand and accelerate fish and wildlife restoration projects in the region under the provisions of the Federal Aid in Wildlife Restoration Act of 1937 and the 1950 Federal Aid in Fish Restoration Act.

Section 205(b) provides that for the fiscal years 1966 and 1967 the Federal share of mining area restoration projects carried out under subsection (a) and conducted on lands not federally owned shall not exceed 75 percent of the total cost thereof.

Section 205(c) provides that the Secretary of the Interior shall, in cooperation with the Secretary of Agriculture and appropriate Federal, State, and local agencies, and with the Appalachian Regional Commission, make a survey and study of strip and surface mining operations and their effects in the United States. The study will consider, among other things, the nature and extent of surface and strip mining operations and the conditions resulting therefrom; the effectiveness of State and local control over strip mining activity and requirements for appropriate State legislation to provide for proper reclamation and rehabilitation of strip and surface mined areas; the public benefits which may result from reclamation and appropriate development of strip and surface mined areas; the appropriate cost-sharing roles of Federal and State governments and private interests in, and the objectives and total overall costs of a program for, accomplishing the reclamation and rehabilitation of existing strip and surface mining areas in the United States. The Secretary of the Interior shall then submit to the President recommendations for a long-range comprehensive program for reclamation and rehabilitation of strip and surface mining areas in the United States. The President shall submit these recommendations, together with his own, to the Congress not later than July 1, 1967.

Section 205(d) provides that not to exceed \$36.5 million of the funds authorized in section 401 shall be available to carry out this section.

No moneys may be expended for the purposes of reclaiming, improving, grading, seeding, or reforestation of strip mined areas, except on lands owned by Federal, State, or local governmental bodies, until authorized by law after completion of the study and report to the President as provided in subsection (c).

#### Water Resource Survey

Section 206(a) authorizes and directs the Secretary of the Army to prepare a comprehensive plan for developing and efficiently utilizing the water and related resources of the Appalachian region. Special attention shall be given to the need for an increase in the production of economic goods and services within the region as a means of expanding economic opportunities. The plan shall constitute an integral component of the regional economic development program authorized by this act.

Section 206(b) provides that the plan may recommend measures for the control of floods, the regulation of rivers to provide better water supply for industrial and municipal development, the generation of hydroelectric power, prevention of water pollution, development of the recreational potentials of the region, and such other measures as may be necessary to achieve the objectives of this section.

Section 206(c) provides that the Secretary of the Army, acting through the U.S. Army Engineers, shall consult with the Appalachian Regional Commission, the Tennessee Valley Authority, the Federal Power Commission, and the Secretaries of Agriculture, Commerce, Interior, and Health, Education, and Welfare, to insure that the plan prepared shall constitute a harmonious component of the regional program.

Section 206(d) provides that the plan shall be submitted to the Appalachian Regional Commission, after which the Commission shall submit the plan to the President with a statement of its views. The President shall then submit the prepared plan to the Congress with his recommendations not later than December 31, 1968.

Section 206(e) authorizes the Secretary of the Army to enter into contracts, leases, cooperative agreements, etc., with any departments, agencies or instrumentalities of the United States or with any State, political subdivision, agency or instrumentality thereof or with any person, firm, association, or corporation in the preparation of the plan authorized by this section. Moreover, the Federal agencies referred to in subsection (c) are authorized to assist the Secretary of the Army in preparing the plan.

Section 206(f) provides that the plan shall be coordinated with all Federal comprehensive river basin plans heretofore or hereafter developed for river systems draining the Appalachian region.

Section 206(g) provides an expenditure of not to exceed \$5 million of the funds authorized in section 401.

#### Part B. Supplementations and modifications of existing programs

##### Vocational Education Facilities

Section 211 (a) authorizes the Secretary of Health, Education, and Welfare to make grants for construction of school facilities needed for vocational education in areas of Appalachia where such education is not now adequately available. The grants will be made in accordance with provisions of the Vocational Education Act of 1963, but without regard to any provision therein relating to appropriation authorization ceilings, or to State allotments.

Section 211 (b) provides for an expenditure not to exceed \$16 million of funds authorized in section 401 for construction of such school facilities.

##### Sewage treatment works

Section 212 (a) authorizes the Secretary of Health, Education, and Welfare to make grants for the construction of sewage treatment works in accordance with the provisions of the Federal Water Pollution Control Act, but without regard to appropriation authorization ceilings or allotments therein among the States of Appalachia.

Section 212 (b) provides an expenditure not to exceed \$6 million of the funds authorized in section 401 for construction of such sewage treatment works.

##### Amendments to Housing Act of 1954

Section 213 makes the Appalachian Regional Commission an eligible agency to receive comprehensive planning grants under the Housing Act of 1954.

##### Supplements to Federal Grant-in-Aid Programs

Section 214(a) authorizes the Secretary of Commerce, pursuant to specific recommendations of the Appalachian Regional Commission approved by him and after consultation with appropriate Federal officials, to allocate funds to the heads of Federal agencies responsible for the administration of existing Federal grant-in-aid programs. Such funds shall be used only for the purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost otherwise authorized by the applicable law. This will enable the States and local communities of the region to take maximum advantage of Federal grant-in-aid programs for which they are eligible but for which they have been unable heretofore to supply the required matching share.

Section 214(b) applies an 80 percent ceiling to the Federal share of the total cost of projects under subsection (a).



Section 214(c) defines the term "Federal Grant-in-Aid Programs" as used in this section. It has reference to Federal grant-in-aid programs authorized by this act for the construction or equipment of facilities. It includes all other Federal grant-in-aid programs in existence on the effective date of this act for the acquisition of land and the construction or equipment of facilities including, but not limited to, programs authorized by the Library Services Act, the Federal Airport Act, Federal Water Pollution Control Act, Higher Education Facilities Act of 1963, and the National Defense Education Act of 1958. The term shall not include, however, any program related to highway or road construction, nor would it include any program except a grant-in-aid program. Federal loan programs are to be excluded.

Section 214(d) provides, for implementation of this section, an expenditure of \$90 million of the funds authorized in section 401.

#### Part C—General provisions

##### Maintenance of Effort

Section 221 provides that no State or political subdivision thereof shall be eligible to receive benefits under this act unless the aggregate expenditures of State funds for the benefit of the area affected, exclusive of Federal funds—and not including a State's expenditure for participation in the National System of Interstate and Defense Highways—are maintained at a level at least equal to the average level of such expenditures for the last 2 full fiscal years preceding the date of enactment of this act. However, the Commission shall recommend to the President or the President's designee a lesser requirement when a substantial population decrease in the area affected would not justify a State expenditure equal to the average heretofore alluded to or when a State's average level of expenditure, within an individual program, has been disproportionate to the present need for the affected area.

##### Consent of States

Section 222 provides that no State shall be required to engage in or accept any program under the act without its consent.

##### Program Implementation

Section 223 provides that no program or project authorized under any section of title II shall be implemented until the Commission has consulted with and obtained the recommendations of the appropriate State official involved and until plans with regard to such program or project have been recommended by the Commission and approved or modified by the President or such Federal officer as the President may designate.

##### Program Development Criteria

Section 224(a) provides criteria to be followed by the Appalachian Regional Commission in developing recommendations for programs and projects under the act. Among these are (1) the relationship of the project to overall regional development and the inclusion of its location in an area having a significant potential for growth; (2) the relative per capita income and the unemployment rates in the area served; (3) the relative financial resources available to the State or political subdivisions or instrumentalities which seek to undertake the project; (4) the importance of the project as compared with other projects in competition for the same funds; (5) the prospects that the project will improve, on a continuing rather than on a temporary basis, the opportunities for employment, the average level of income, or the economic and social development of the area served.

Section 224(b) precludes any assistance from being given to the relocation of establishments from one area to another, or to finance the cost of facilities for generation

or production, transmission or distribution of electric energy or gas (natural, manufactured, or mixed). No assistance may be given to finance the cost of industrial plants, commercial facilities, machinery, working capital, or other industrial facilities or to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors.

#### TITLE III.—ADMINISTRATION

##### Local development districts—certification

Section 301 defines the term "local development district" as an entity certified to the Appalachian Regional Commission either by the Governor of the State or States in which such entity is located or by the State officer designated, as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region. No entity shall be certified as a local development district unless it is (1) a nonprofit incorporated body organized or chartered under State law; (2) a nonprofit State or local government agency or instrumentality; (3) a nonprofit agency or instrumentality created by interstate compact; or (4) a nonprofit association or combination of such bodies, agencies, and instrumentalities.

##### Grants for administrative expenses of local development districts and for research and demonstration projects

Section 302(a) authorizes the Secretary of Commerce to make grants, either directly or through arrangements with the Commission, for administrative expenses to local development districts, the amount of any such grant not to exceed 75 percent of the administrative expenses in any one fiscal year. No such grants shall be made for a period in excess of 3 years beginning on the date the initial grant is made to such development district. Local contributions for administrative expenses may be in cash or in kind, including but not limited to space, equipment and services. The Secretary is also authorized, either directly or through arrangements with appropriate public or private organizations (including the Commission), to provide funds for investigation, research, studies, and demonstration projects, but not for construction purposes, which will further the purposes of the act.

Section 302(b). Recipients of Federal assistance under this section shall maintain accurate and complete records of activities financed with Federal funds and report thereon to the Secretary, such records to be available for audit respecting such grants by the Secretary of Commerce and the Comptroller General.

Section 302(c) provides an expenditure not to exceed \$5.5 million of the funds authorized in section 401 for implementation of this section.

No part of any appropriated funds may be expended involving scientific or technological research or development activities unless such expenditure is conditioned upon provisions effective to insure that all information, copyrights, patents, etc., resulting from that activity will be made freely available to the general public.

##### Project approval

Section 303 provides that an application for a grant or for any other assistance under this act shall be made only by a State, a political subdivision of a State, or a local development district. It is required that the application be made through the State member of the Commission representing such applicant and that such State member shall evaluate the application for approval. The Commission can approve only those applications which are first approved by such State member.

#### Annual report

Section 304 requires that not later than 6 months after the close of each fiscal year, the Commission shall submit to the Governor of each State in the region and to the President, for transmittal to the Congress, a report on the activities carried out under this act during such year.

#### TITLE IV—APPROPRIATIONS AND MISCELLANEOUS PROVISIONS

##### Authorization of appropriations

Section 401 authorizes not to exceed \$252,400,000 to be appropriated for the period ending June 30, 1967, to be available until expended. This amount is in addition to the appropriations authorized in section 201 for the Appalachian development highway system.

##### Applicable labor standards

Section 402 provides that wage rates in connection with activities under this act shall be no less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

##### Definition of Appalachian region

Section 403 delineates the area embraced in the term "Appalachian Region." Of the 12 States included in Appalachia, West Virginia is the one State in which all counties are eligible for assistance under the act.

##### Severability

Section 404 contains the usual severability clause.

##### Termination

Section 405 provides that the act shall cease to be in effect on July 1, 1971.

#### THE STATUTE OF LIMITATIONS ON NAZI WAR CRIMINALS

Mr. JAVITS. Mr. President, several Senators, including myself, have previously called to the attention of the Senate the situation which now obtains in Germany with respect to the prosecution of Nazi war criminals.

The German criminal code contains a 20-year statute of limitations on murder, which has been interpreted by the West German Government to bar the initiation of prosecutions for Nazi crimes after May 8, 1965—20 years after the end of the Hitler regime. The Federal Republic Government claims that even though the period of limitations is scheduled to run its course on that date, prosecutions of Nazi criminals will not cease, but that many cases now being prepared for trial will be heard over the next few years.

The German Government also has declared that it has initiated extensive investigations of all other known Nazi war criminals. It is a feature of German law that a period of limitation may be interrupted, thereby automatically starting the period to run again for another 20 years, by official initiation of an investigation. This will make it possible for the German Government to prosecute every Nazi criminal known to it on May 8, 1965. For this purpose it appealed, on November 20, 1964, to "all governments, organizations, and individual persons, both in Germany and abroad," to make available all documents in their possession relating to the offenses of Nazi criminals still unknown to the Federal Republic.

Despite the efforts of the Federal Republic, however, a number of war crim-



inals may escape justice unless some way is found to avoid the application of the statute of limitations to their crimes on May 8. As an example of how this might occur, the East German Government has refused to give the Federal Republic free access to files in its possession which may contain information concerning war crimes. There is some fear that East Germany may be withholding information for release after May 8, when Nazi criminals known to it, but not to the Federal Republic, would be able to walk the streets of Germany freely, unafraid of official retribution for their acts. The propaganda value of such a situation for East Germany and other Communist countries is obvious: West Germany would then be held up to the world as "fundamentally unrepentant and, thus, a continuing danger to mankind." Phony as this would be under the circumstances, it would still be effective propaganda.

Recognizing these implications of the statute-of-limitations issue, the West German Bundestag, on December 9, 1964, called on the Federal Government to report to the Bundestag by March 1, 1965, whether in all identifiable cases the statute has been interrupted, and further, to report whether the Government is prepared, if necessary, to discuss with the Bundestag the question of extending the statute.

Mr. President, it is apparent from the facts I have just related that the West German Government and Bundestag will soon be making a historic decision—a decision which concerns all humanity. That decision may foreclose prosecution of the last remnants of the most infamous and brutal band of killers in modern history; or it may again demonstrate to all the determination of the German Federal Republic to insure that no one who committed mass murder—genocide—will go free to mock the world.

The power to choose is West Germany's alone. But no man can be indifferent to the choice. The resolution I am now introducing, on behalf of myself and of the Senator from Connecticut, calls upon the President to request the West German Government "to take whatever action it deems necessary in providing for an extension of the statute of limitations affecting Nazi war criminals so that there will exist no possibility that any war criminals will escape justice through the operation of that statute."

I send the concurrent resolution to the desk for the Senator from Connecticut [Mr. Ribicoff] and myself, and ask that it be appropriately referred.

I also ask unanimous consent that it may lie on the desk for 1 week from today, for the addition of cosponsors, and that the text of the resolution may be printed, together with the text of my remarks, at this point in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution will be received and appropriately referred; and, without objection, the concurrent resolution will be held at the desk, as requested by the Senator from New York.

The concurrent resolution (S. Con. Res. 16) was referred to the Committee on Foreign Relations, as follows:

# S. CON. RES. 16

*Resolved by the Senate (the House of Representatives concurring),*

Whereas the West German Bundestag is currently considering whether to extend a 20-year period of limitation on the institution of criminal actions, otherwise barred by statute after May 1965, against Nazi war criminals charged with genocide or murder; and

Whereas under the law of the German Federal Republic such statute of limitations may be tolled by the institution of a judicially sanctioned investigation of any person suspected of a crime; and

Whereas as a result of the efforts of the Government of the German Federal Republic prosecutions or investigations of presently known war criminals have been instituted to the end that these felons will not escape justice; and

Whereas despite such efforts there is the distinct chance that some war criminals will escape justice through the operation of the statute of limitations and this is a question for the world and for morality; and

Whereas the chance that some war criminals will escape is enhanced by the possibility that certain files pertaining to their wartime activities are being withheld by the East German Government (Communist) for propaganda advantage in the event prosecution is no longer possible under the laws of the German Federal Republic: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring),* That it is the sense of the Congress that the President should request the Government of the German Federal Republic to take whatever action it deems necessary in providing for an extension of the statute of limitations affecting Nazi war criminals so that there will exist no possibility that any war criminal will escape justice through the operation of that statute.

Mr. JAVITS. Mr. President, in all our history there has never been a more immoral act than the Nazi genocide. Murder has no statute of limitations, and it should have none under the German law.

We must make clear where we stand on this dreadful issue; there can be no silence. I hope very much that the West German Government and Bundestag will hear the call made here, and will pay attention to how deeply we feel about it. I hope too that the President of the United States, upon the adoption of such a resolution as the one I have introduced, or sooner—and I hope very much sooner, will exercise the great influence of his office to see that there shall not be what would constitute one of the gravest miscarriages of justice in the history of man: The escape of any Nazi war criminal because of the operation of the statute of limitations.

Mr. RIBICOFF. Mr. President, I am pleased to join with the Senator from New York [Mr. Javits] and other Senators who would urge the West German Republic to act before May 8, 1965, in order that those individuals responsible for vicious war crimes under Hitler can be brought before the bar of justice.

At common law, Mr. President, which forms the basis of this Nation's criminal laws, there is no statute of limitations for murder. Justice demands that this principle be applied to the mass murders of millions of Europeans during World War II. Those responsible—from the top to the bottom—should be brought to justice and should not be given a ticket to freedom.

I am encouraged that our own Government is aiding the West Germans in the apprehension of war criminals. In a note sent by the Department of State to the Embassy of the Federal Republic of Germany the United States assured the German nation that "the Government of the United States of America will continue to assist the Federal Republic in every appropriate way in its search for evidence of Nazi crimes and criminals." I ask unanimous consent that the full text of the note be printed at this point in the Record.

There being no objection, the text of the note was ordered to be printed in the Record, as follows:

## TEXT OF NOTE SENT BY THE DEPARTMENT OF STATE TO THE EMBASSY OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING COLLECTION OF EVIDENCE ON NAZI MURDERS

On January 8, 1965, the Department of State transmitted the following note to the Embassy of the Federal Republic of Germany in response to the Embassy's request, as part of a worldwide appeal, for assistance in collecting evidence concerning murders, perpetrated during the Hitler regime which are not yet known to the Government of the Federal Republic:

The Department of State acknowledges the receipt of the note from the Embassy of the Federal Republic of Germany dated December 22, 1964, requesting, as part of a worldwide appeal, the assistance of the Government of the United States in collecting evidence concerning Nazi murders not yet known in the Federal Republic of Germany.

The two principal repositories of German documents which might be of value to the Federal Republic are the Berlin Document Center and the National Archives and Records Service of Alexandria, Va. The archives of the Library of Congress also contain some German documents.

The Federal Republic has of course for a number of years frequently consulted the Berlin Document Center, and the center continues to give all possible assistance to appropriate German authorities. German investigators have also in the past searched the documents at the Library of Congress and may, if they wish, again investigate these files.

The Government of the United States has returned to the Government of the Federal Republic of Germany over 80 percent of the German documents originally stored in the National Archives at Alexandria. In 1960, officials designated by the German Federal Government searched these Archives for material which could be of use in the prosecution of Nazi war criminals. In order to be certain, however, that no useful document which might still be in the Archives has been overlooked, the Government of the United States invites the Government of the Federal Republic of Germany again to search the German documents still remaining in the National Archives at Alexandria. Upon notification by the German Government of its desire to send competent and qualified authorities to visit the Archives, the Department of State will be pleased to make appropriate arrangements with the National Archives.

The Government of the Federal Republic of Germany is aware that the Government of the United States of America has long had a deep interest in the efforts of the Federal Republic to find, prosecute, and convict Nazi criminals not yet brought to justice. The Federal Republic is also undoubtedly aware of the concern of many American citizens that the scheduled expiration in May 1965 of the 20-year period under the German statute of limitations for murder might per-









89<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 3

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 1965

Referred to the Committee on Public Works

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## AN ACT

To provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Appalachian Regional  
4       Development Act of 1965".

5               FINDINGS AND STATEMENT OF PURPOSE

6       SEC. 2. The Congress hereby finds and declares that the  
7       Appalachian region of the United States, while abundant in  
8       natural resources and rich in potential, lags behind the rest  
9       of the Nation in its economic growth and that its people  
10      have not shared properly in the Nation's prosperity. The

1 region's uneven past development, with its historical reliance  
2 on a few basic industries and a marginal agriculture, has  
3 failed to provide the economic base that is a vital prerequi-  
4 site for vigorous, self-sustaining growth. The State and  
5 local governments and the people of the region understand  
6 their problems and have been working and will continue to  
7 work purposefully toward their solution. The Congress  
8 recognizes the comprehensive report of the President's Appa-  
9 lachian Regional Commission documenting these findings and  
10 concludes that regionwide development is feasible, desirable,  
11 and urgently needed. It is, therefore, the purpose of this  
12 Act to assist the region in meeting its special problems, to  
13 promote its economic development, and to establish a frame-  
14 work for joint Federal and State efforts toward providing the  
15 basic facilities essential to its growth and attacking its com-  
16 mon problems and meeting its common needs on a coordi-  
17 nated and concerted regional basis. The public investments  
18 made in the region under this Act shall be concentrated in  
19 areas where there is a significant potential for future growth,  
20 and where the expected return on public dollars invested  
21 will be the greatest. The States will be responsible for  
22 recommending local and State projects, within their borders,  
23 which will receive assistance under this Act. As the region  
24 obtains the needed physical and transportation facilities and  
25 develops its human resources, the Congress expects that



1 the region will generate a diversified industry, and that the  
2 region will then be able to support itself, through the work-  
3 ings of a strengthened free enterprise economy.

## 4 TITLE I—THE APPALACHIAN REGIONAL 5 COMMISSION

### 6 MEMBERSHIP AND VOTING

7 SEC. 101. (a) There is hereby established an Appa-  
8 lachian Regional Commission (hereinafter referred to as  
9 the "Commission") which shall be composed of one Fed-  
10 eral member, hereinafter referred to as the "Federal Co-  
11 chairman", appointed by the President by and with the  
12 advice and consent of the Senate, and one member from each  
13 participating State in the Appalachian region. The Federal  
14 Cochairman shall be one of the two Cochairmen of the Com-  
15 mission. Each State member may be the Governor, or his  
16 designee, or such other person as may be provided by the  
17 law of the State which he represents. The State members of  
18 the Commission shall elect a Cochairman of the Commission  
19 from among their number.

20 (b) Except as provided in section 105, decisions by the  
21 Commission shall require the affirmative vote of the Federal  
22 Cochairman and of a majority of the State members (exclu-  
23 sive of members representing States delinquent under sec-  
24 tion 105). In matters coming before the Commission, the  
25 Federal Cochairman shall, to the extent practicable, con-

1 sult with the Federal departments and agencies having an  
2 interest in the subject matter.

3 (c) Each State member shall have an alternate, ap-  
4 pointed by the Governor or as otherwise may be provided  
5 by the law of the State which he represents. The President,  
6 by and with the advice and consent of the Senate, shall ap-  
7 point an alternate for the Federal Cochairman. An alter-  
8 nate shall vote in the event of the absence, death, disability,  
9 removal, or resignation of the State or Federal representa-  
10 tive for which he is an alternate.

11 (d) The Federal Cochairman shall be compensated by  
12 the Federal Government at level IV of the Federal Execu-  
13 tive Salary Schedule of the Federal Executive Salary Act  
14 of 1964. His alternate shall be compensated by the Federal  
15 Government at not to exceed the maximum scheduled rate for  
16 grade GS-18 of the Classification Act of 1949, as amended,  
17 and when not actively serving as an alternate for the Federal  
18 Cochairman shall perform such functions and duties as are  
19 delegated to him by the Federal Cochairman. Each State  
20 member and his alternate shall be compensated by the State  
21 which they represent at the rate established by the law of  
22 such State.

23 **FUNCTIONS OF THE COMMISSION**

24 SEC. 102. In carrying out the purposes of this Act,  
25 the Commission shall—



(1) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

(2) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

(3) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region;

(4) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation;

(5) encourage the formation of local development districts;

(6) encourage private investment in industrial, commercial, and recreational projects;

(7) serve as a focal point and coordinating unit for Appalachian programs;

(8) provide a forum for consideration of problems

1 of the region and proposed solutions and establish and  
2 utilize, as appropriate, citizens and special advisory  
3 councils and public conferences; and

4 (9) advise the Secretary of Commerce on appli-  
5 cations for grants for administrative expenses to local  
6 development districts.

7 RECOMMENDATIONS

8 SEC. 103. The Commission may, from time to time,  
9 make recommendations to the President and to the State  
10 Governors and appropriate local officials with respect to—

11 (1) the expenditure of funds by Federal, State,  
12 and local departments and agencies in the region in  
13 the fields of natural resources, agriculture, education,  
14 training, health and welfare, and other fields related  
15 to the purposes of this Act; and

16 (2) such additional Federal, State, and local legis-  
17 lation or administrative actions as the Commission  
18 deems necessary to further the purposes of this Act.

19 LIAISON BETWEEN FEDERAL GOVERNMENT AND THE  
20 COMMISSION

21 SEC. 104. The President shall provide effective and con-  
22 tinuing liaison between the Federal Government and the  
23 Commission and a coordinated review within the Federal  
24 Government of the plans and recommendations submitted  
25 by the Commission pursuant to sections 102 and 103.



ADMINISTRATIVE EXPENSES OF THE COMMISSION

SEC. 105. (a) For the period ending on June 30 of the second full Federal fiscal year following the date of enactment of this Act, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid equally by the Federal Government and the States in the region. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

(b) Not to exceed \$2,200,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

ADMINISTRATIVE POWERS OF COMMISSION

SEC. 106. To carry out its duties under this Act, the Commission is authorized to—

(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions.

(2) appoint and fix the compensation of an execu-

1        tive director and such other personnel as may be neces-  
2        sary to enable the Commission to carry out its func-  
3        tions, except that such compensation shall not exceed  
4        the salary of the alternate to the Federal Cochair-  
5        man on the Commission as provided in section 101.  
6        No member, alternate, officer, or employee of the Com-  
7        mission, other than the Federal Cochairman on the  
8        Commission, his staff, and his alternate and Federal  
9        employees detailed to the Commission under paragraph  
10       (3) shall be deemed a Federal employee for any  
11       purpose.

12       (3) request the head of any Federal department or  
13       agency (who is hereby so authorized) to detail to  
14       temporary duty with the Commission such personnel  
15       within his administrative jurisdiction as the Commission  
16       may need for carrying out its functions, each such detail  
17       to be without loss of seniority, pay, or other employee  
18       status.

19       (4) arrange for the services of personnel from any  
20       State or local government or any subdivision or agency  
21       thereof, or any intergovernmental agency.

22       (5) make arrangements, including contracts, with  
23       any participating State government for inclusion in a  
24       suitable retirement and employee benefit system of such  
25       of its personnel as may not be eligible for, or continue in,



1 another governmental retirement or employee benefit  
2 system, or otherwise provide for such coverage of its  
3 personnel. The Civil Service Commission of the United  
4 States is authorized to contract with the Commission for  
5 continued coverage of Commission employees, who at  
6 date of Commission employment are Federal employees,  
7 in the retirement program and other employee benefit  
8 programs of the Federal Government.

9 (6) accept, use, and dispose of gifts or donations  
10 of services or property, real, personal, or mixed, tangible  
11 or intangible.

12 (7) enter into and perform such contracts, leases,  
13 cooperative agreements, or other transactions as may be  
14 necessary in carrying out its functions and on such  
15 terms as it may deem appropriate, with any department,  
16 agency, or instrumentality of the United States or with  
17 any State, or any political subdivision, agency, or in-  
18 strumentality thereof, or with any person, firm, asso-  
19 ciation, or corporation.

20 (8) maintain a temporary office in the District of  
21 Columbia and establish a permanent office at such a  
22 central and appropriate location as it may select and  
23 field offices at such other places as it may deem appro-  
24 priate.

1           (9) take such other actions and incur such other  
2           expenses as may be necessary or appropriate.

## 3 INFORMATION

4 SEC. 107. In order to obtain information needed to  
5 carry out its duties, the Commission shall—

6           (1) hold such hearings, sit and act at such times  
7       and places, take such testimony, receive such evidence,  
8       and print or otherwise reproduce and distribute so much  
9       of its proceedings and reports thereon as it may deem  
10      advisable, a Cochairman of the Commission, or any  
11      member of the Commission designated by the Commis-  
12      sion for the purpose, being hereby authorized to admin-  
13      ister oaths when it is determined by the Commission  
14      that testimony shall be taken or evidence received under  
15      oath;

(2) arrange for the head of any Federal, State, or local department or agency (who is hereby so authorized to the extent not otherwise prohibited by law) to furnish to the Commission such information as may be available to or procurable by such department or agency; and

(3) keep accurate and complete records of its doings and transactions which shall be made available for public inspection, and for the purpose of audit and examination by the Comptroller General or his duly authorized representatives.



## PERSONAL FINANCIAL INTERESTS

SEC. 108. (a) Except as permitted by subsection (b) hereof, no State member or alternate and no officer or employee of the Commission shall participate personally and substantially as member, alternate, officer, or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization (other than a State or political subdivision thereof) in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Any person who shall violate the provisions of this subsection shall be fined not more than \$10,000, or imprisoned not more than two years, or both.

(b) Subsection (a) hereof shall not apply if the State member, alternate, officer, or employee first advises the Commission of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter and

1 makes full disclosure of the financial interest and receives  
2 in advance a written determination made by the Commis-  
3 sion that the interest is not so substantial as to be deemed  
4 likely to affect the integrity of the services which the Com-  
5 mission may expect from such State member, alternate,  
6 officer, or employee.

7 (c) No State member or alternate shall receive any  
8 salary, or any contribution to or supplementation of salary  
9 for his services on the Commission from any source other  
10 than his State. No person detailed to serve the Commission  
11 under authority of paragraph (4) of section 106 shall  
12 receive any salary or any contribution to or supplementation  
13 of salary for his services on the Commission from any source  
14 other than the State, local, or intergovernmental department  
15 or agency from which he was detailed or from the Commis-  
16 sion. Any person who shall violate the provisions of this  
17 subsection shall be fined not more than \$5,000, or impris-  
18 oned not more than one year, or both.

19 (d) Notwithstanding any other subsection of this sec-  
20 tion, the Federal Cochairman and his alternate on the Com-  
21 mission and any Federal officers or employees detailed to  
22 duty with it pursuant to paragraph (3) of section 106 shall  
23 not be subject to any such subsection but shall remain sub-  
24 ject to sections 202 through 209 of title 18, United States  
25 Code.



1       (e) The Commission may, in its discretion, declare void  
2 and rescind any contract, loan, or grant of or by the Com-  
3 mission in relation to which it finds that there has been a  
4 violation of subsection (a) or (c) of this section, or any of  
5 the provisions of sections 202 through 209, title 18, United  
6 States Code.

## 7 TITLE II—SPECIAL APPALACHIAN PROGRAMS

### 8                   PART A—NEW PROGRAMS

#### 9           APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

10       SEC. 201. (a) The Secretary of Commerce (hereafter  
11 in this section referred to as the “Secretary”) is authorized  
12 to assist in the construction of an Appalachian development  
13 highway system serving the Appalachian region (the length  
14 of which shall not exceed two thousand three hundred and  
15 fifty miles. In addition thereto, there are authorized to be  
16 constructed not in excess of one thousand miles of local access  
17 roads, that will serve specific recreational, residential, com-  
18 mercial, industrial, or other like facilities or will facilitate a  
19 school consolidation program). The system, in conjunc-  
20 tion with the Interstate System and other Federal-aid  
21 highways in the region will provide a highway system  
22 which will open up an area or areas with a developmental  
23 potential where commerce and communication have been  
24 inhibited by lack of adequate access. The provisions of title  
25 23, United States Code, that are applicable to Federal-aid

1 primary highways, and which the Secretary determines are  
2 not inconsistent with this Act, shall apply to the Appalachian  
3 development highway system, and the local access  
4 roads.

5 (b) As soon as feasible, the Commission shall submit  
6 to the Secretary its recommendations with respect to (1) the  
7 general corridor location and termini of the development  
8 highways, (2) the designation of local access roads to be con-  
9 structed, (3) priorities for construction of the local access  
10 roads and of the major segments of the development high-  
11 ways, and (4) other criteria for the program authorized by  
12 this section. Before any State member participates in or  
13 votes on such recommendations, he shall have obtained the  
14 recommendations of the State highway department of the  
15 State which he represents.

16 (c) The Secretary shall have authority to approve in  
17 whole or in part such recommendations or to require modifi-  
18 cations or revisions thereof. In no event shall the Secre-  
19 tary approve any recommendations for any construction  
20 which would require for its completion the expenditure of  
21 Federal funds (other than funds available under title 23,  
22 United States Code) in excess of the appropriation authori-  
23 zations in subsection (g). On its completion each develop-  
24 ment highway not already on the Federal-aid primary sys-



1 tem shall be added to such system and shall be required to  
2 be maintained by the State.

3 (d) In the construction of highways and roads author-  
4 ized under this section, the States may give special prefer-  
5 ence to the use of mineral resource materials indigenous to  
6 the Appalachian region.

7 (e) For the purposes of research and development in  
8 the use of coal and coal products in highway construction  
9 and maintenance, the Secretary is authorized to require each  
10 participating State, to the maximum extent possible, to use  
11 coal derivatives in the construction of not to exceed 10 per  
12 centum of the roads authorized under this Act.

13 (f) Federal assistance to any construction project under  
14 this section shall not exceed 50 per centum of the costs of  
15 such project, unless the Secretary determines, pursuant to  
16 the recommendation of the Commission, that assistance in  
17 excess of such percentage is required in furtherance of the  
18 purposes of this Act, but in no event shall such Federal  
19 assistance exceed 70 per centum of such costs.

20 (g) To carry out this section, there is hereby authorized  
21 to be appropriated \$840,000,000.

22 DEMONSTRATION HEALTH FACILITIES

23 SEC. 202. (a) In order to demonstrate the value of  
24 adequate health and medical facilities to the economic devel-

1 opment of the region, the Secretary of Health, Education,  
2 and Welfare is authorized to make grants for the construc-  
3 tion, equipment, and operation of multicounty demonstration  
4 health facilities, including hospitals, regional health diagnos-  
5 tic and treatment centers, and other facilities necessary to  
6 health. Grants for such construction (including initial  
7 equipment) shall be made in accordance with the applicable  
8 provisions of title VI of the Public Health Service Act (42  
9 U.S.C. 291-291z) and the Mental Retardation Facilities  
10 and Community Mental Health Centers Construction Act of  
11 1963 (77 Stat. 282), without regard to any provisions there-  
12 in relating to appropriation authorization ceiling or to allot-  
13 ments among the States. Grants under this section shall  
14 be made solely out of funds specifically appropriated for  
15 the purpose of carrying out this Act and shall not be taken  
16 into account in the computation of the allotments among  
17 the States made pursuant to any other provision of law.

18 (b) No grant under this section for construction (in-  
19 cluding initial equipment) shall exceed 80 per centum of  
20 the cost of the project. Not to exceed \$41,000,000 of the  
21 funds authorized in section 401 shall be available for con-  
22 struction grants under this section.

23 (c) Grants under this section for operation (including  
24 equipment other than initial equipment) of a project may  
25 be made up to 100 per centum of the costs thereof for the



1 two-year period beginning on the first day such project is  
2 in operation as a health facility. For the next three years  
3 of operations such grants shall not exceed 50 per centum  
4 of such costs. No grants for operation of a project shall be  
5 made after five years following the commencement of such  
6 operations. Not to exceed \$28,000,000 of the funds author-  
7 ized in section 401 of this Act shall be available for operating  
8 grants under this section.

9 LAND STABILIZATION, CONSERVATION, AND EROSION

10 CONTROL

11 SEC. 203. (a) In order to provide for the control and  
12 prevention of erosion and sediment damages in the Appa-  
13 lachian region and to promote the conservation and develop-  
14 ment of the soil and water resources of the region, the Secre-  
15 tary of Agriculture is authorized to enter into agreements of  
16 not more than ten years with landowners, operators, and  
17 occupiers, individually or collectively, in the Appalachian  
18 region determined by him to have control for the period of the  
19 agreement of the lands described therein, providing for land  
20 stabilization, erosion and sediment control, and reclamation  
21 through changes in land use, and conservation treatment in-  
22 cluding the establishment of practices and measures for the  
23 conservation and development of soil, water, woodland, wild-  
24 life, and recreation resources.

1       (b) The landowner, operator, or occupier shall furnish  
2 to the Secretary of Agriculture a conservation and develop-  
3 ment plan setting forth the appropriate and safe land uses  
4 and conservation treatment mutually agreed by the Secretary  
5 and the landowner operator, or occupier to be needed on the  
6 lands for which the plan was prepared.

7       (c) Such plan shall be incorporated in an agreement  
8 under which the landowner, operator, or occupier shall agree  
9 with the Secretary of Agriculture to carry out the land uses  
10 and conservation treatment provided for in such plan on the  
11 lands described in the agreement in accordance with the terms  
12 and conditions thereof.

13       (d) In return for such agreement by the landowner,  
14 operator, or occupier the Secretary of Agriculture shall be  
15 authorized to furnish financial and other assistance to such  
16 landowner, operator, or occupier in such amounts and subject  
17 to such conditions as the Secretary determines are appropri-  
18 ate and in the public interest for the carrying out of the land  
19 uses and conservation treatment set forth in the agreement:  
20 *Provided*, That grants hereunder shall not exceed 80 per  
21 centum of the cost of carrying out such land uses and con-  
22 servation treatment on fifty acres of land occupied by such  
23 owner, operator, or occupier.

24       (e) The Secretary of Agriculture may terminate any  
25 agreement with a landowner, operator, or occupier by mutual



1 agreement if the Secretary determines that such termination  
2 would be in the public interest, and may agree to such mod-  
3 ification of agreements previously entered into hereunder as  
4 he deems desirable to carry out the purposes of this section or  
5 to facilitate the practical administration of the program  
6 authorized herein.

7 (f) Notwithstanding any other provision of law, the  
8 Secretary of Agriculture, to the extent he deems it desirable  
9 to carry out the purposes of this section, may provide in any  
10 agreement hereunder for (1) preservation for a period not to  
11 exceed the period covered by the agreement and an equal  
12 period thereafter of the cropland, crop acreage, and allotment  
13 history applicable to land covered by the agreement for the  
14 purpose of any Federal program under which such history is  
15 used as a basis for an allotment or other limitation on the  
16 production of such crop; or (2) surrender of any such  
17 history and allotments.

18 (g) The Secretary of Agriculture shall be authorized to  
19 issue such rules and regulations as he determines are neces-  
20 sary to carry out the provisions of this section.

21 (h) In carrying out the provisions of this section, the  
22 Secretary of Agriculture shall utilize the services of the Soil  
23 Conservation Service, and the State and local committees  
24 provided for in section 8 (b) of the Soil Conservation and  
25 Domestic Allotment Act (16 U.S.C. 590 (b) ), and is

1 authorized to utilize the facilities, services, and authorities of  
2 the Commodity Credit Corporation. The Corporation shall  
3 not make any expenditures to carry out the provisions of  
4 this subsection unless funds specifically appropriated for such  
5 purpose have been transferred to it.

6 (i) Not to exceed \$17,000,000 of the funds authorized  
7 in section 401 of this Act shall be available to carry out this  
8 section.

9 TIMBER DEVELOPMENT ORGANIZATIONS

10 SEC. 204. (a) In order that the region shall more fully  
11 benefit from the timber stands that are one of its prime  
12 assets, the Secretary of Agriculture is authorized to—

13 (1) provide technical assistance in the organization  
14 and operation, under State law, of private timber de-  
15 velopment organizations having as their objective the  
16 carrying out of timber development programs to im-  
17 prove timber productivity and quality, and increase  
18 returns to landowners through establishment of private  
19 nonprofit corporations, which on a self-supporting basis  
20 may provide (A) continuity of management, good  
21 cutting practices, and marketing services, (B) physical  
22 consolidation of small holdings or administrative con-  
23 solidation for efficient management under long-term  
24 agreement, (C) management of forest lands, donated  
25 to the timber development organizations for demon-



1 strating good forest management, on a profitable and  
2 taxpaying basis, and (D) establishment of a permanent  
3 fund for perpetuation of the work of the corporations  
4 to be composed of donations, real or personal, for edu-  
5 cational purposes.

6 (2) provide not more than one-half of the initial  
7 capital requirements of such timber development orga-  
8 nizations through loans under the applicable provisions  
9 of the Consolidated Farmers Home Administration Act  
10 of 1961 (7 U.S.C. 1926 et seq.). Such loans shall not  
11 be used for the construction or acquisition of facilities  
12 for manufacturing, processing, or marketing forest  
13 products, or for physical consolidation of small timber  
14 holdings authorized by (1) (B) above except for the  
15 establishment of demonstration units.

16 (b) Not to exceed \$5,000,000 of the funds authorized  
17 in section 401 of this Act shall be available to carry out this  
18 section.

#### 19 MINING AREA RESTORATION

20 SEC. 205. (a) In order to further the economic devel-  
21 opment of the region by rehabilitating areas presently dam-  
22 aged by deleterious mining practices, the Secretary of the  
23 Interior is authorized to—

24 (1) make financial contributions to States in the  
25 region to seal and fill voids in abandoned coal mines,

1 and to reclaim and rehabilitate existing strip and surface  
2 mine areas, in accordance with provisions of the Act of  
3 July 15, 1955 (30 U.S.C. 571 et seq.), to the extent  
4 applicable, without regard to section 2 (b) thereof (30  
5 U.S.C. 572 (b) ) or to any provisions therein limiting  
6 assistance to anthracite coal formation, or to the Com-  
7 monwealth of Pennsylvania. Grants under this para-  
8 graph shall be made wholly out of funds specifically  
9 appropriated for the purposes of carrying out this Act.

10 (2) plan and execute projects for extinguishing  
11 underground and outcrop mine fires in the region in  
12 accordance with the provisions of the Act of August 31,  
13 1954 (30 U.S.C. 551 et seq.), without regard to any  
14 provisions therein relating to annual appropriation au-  
15 thorization ceilings. Grants under this paragraph shall  
16 be made solely out of funds specifically appropriated  
17 for the purpose of carrying out this Act.

18 (3) expand and accelerate fish and wildlife restora-  
19 tion projects in the region in accordance with the provi-  
20 sions of the Act of September 2, 1937 (16 U.S.C. 669  
21 et seq.), and the Act of August 9, 1950 (16 U.S.C.  
22 777 et seq.), without regard to any provisions therein  
23 relating to apportionments among the States and to  
24 limitations on the availability of funds. The expenses  
25 of projects under this paragraph shall be paid solely out



1 of funds specifically appropriated for the purpose of  
2 carrying out this Act, and shall not be taken into account  
3 in the computation of the apportionments among the  
4 States pursuant to any other provisions of law.

5 (b) For the fiscal years 1966 and 1967, notwithstand-  
6 ing any other provision of law, the Federal share of mining  
7 area restoration projects carried out under subsection (a) of  
8 this section and conducted on lands other than federally  
9 owned lands shall not exceed 75 per centum of the total cost  
10 thereof.

11 (c) The Congress hereby declares its intent to provide  
12 for a study of a comprehensive, long-range program  
13 for the purpose of reclaiming and rehabilitating strip and sur-  
14 face mining areas in the United States. To this general end,  
15 the Secretary of the Interior shall, in full cooperation with  
16 the Secretary of Agriculture, the Tennessee Valley Authority,  
17 and other appropriate Federal, State, and local departments  
18 and agencies, and with the Commission, make a survey and  
19 study of strip and surface mining operations and their effects  
20 in the United States. The Secretary of the Interior shall  
21 submit to the President his recommendations for a long-range  
22 comprehensive program for reclamation and rehabilitation of  
23 strip and surface mining areas in the United States and for  
24 the policies under which the program should be conducted,  
25 and the President shall submit these to the Congress, together

1 with his recommendations, not later than July 1, 1967. By  
2 July 1, 1966, the Secretary shall make an interim report to  
3 the Commission summarizing his findings to that date on  
4 those aspects of strip and surface mining operations in the  
5 region that are most urgently in need of attention. Such  
6 study and recommendations shall include, but not be limited  
7 to, a consideration of the following matters—

8 (1) the nature and extent of strip and surface min-  
9 ing operations in the United States and the conditions  
10 resulting therefrom;

11 (2) the ownership of the real property involved in  
12 strip and surface mining operations;

13 (3) the effectiveness of past action by States or  
14 local units of government to remedy the adverse effects  
15 of strip and surface mining operation by financial or  
16 regulatory measures, and requirements for appropriate  
17 State legislation, including adequate enforcement thereof,  
18 to provide for proper reclamation and rehabilitation of  
19 areas which may be strip and surface mined in the  
20 future;

21 (4) the public interest in and public benefits which  
22 may result from reclamation, rehabilitation, and appro-  
23 priate development and use of areas subjected to strip  
24 and surface mining operations, including (A) economic  
25 development growth, (B) public recreation, (C) public



1 health and safety, (D) water pollution, stream sedi-  
2 mentation, erosion control, and flood control, (E) high-  
3 way programs, (F) fish and wildlife protection and  
4 restoration, (G) scenic values, and (H) forestry and  
5 agriculture;

6 (5) the appropriate roles of Federal, State, and  
7 private interests in the reclamation and rehabilitation  
8 of strip and surface mining areas and the relative costs  
9 to be borne by each, including specific consideration of  
10 (A) the extent, if any, to which strip and surface mine  
11 operators are unable to bear the cost of remedial action  
12 within the limits imposed by the economics of such  
13 mining activity, and (B) the extent to which the pro-  
14 spective value of lands and other natural resources, after  
15 remedial work has been completed, would be inadequate  
16 to justify the landowners doing the remedial work at  
17 their expense; and

18 (6) the objectives and the total overall costs of a  
19 program for accomplishing the reclamation and reha-  
20 bilitation of existing strip and surface mining areas in  
21 the United States, giving adequate consideration to (A)  
22 the economic benefits in relation to costs, (B) the pre-  
23 ventions of future devastation of reclaimed and rehabili-  
24 tated areas, (C) the avoidance of unwarranted financial  
25 gain to private owners of improved property, and (D)

1       the types of aid required to accomplish such reclamation  
2       and rehabilitation.

3       (d) Not to exceed \$36,500,000 of the funds authorized  
4 in section 401 of this Act shall be available to carry out  
5 this section. No moneys authorized by this Act shall be  
6 expended for the purposes of reclaiming, improving, grading,  
7 seeding, or reforestation of strip-mined areas (except on  
8 lands owned by Federal, State, or local bodies of govern-  
9 ment) until authorized by law after completion of the study  
10 and report to the President as provided in subsection (c)  
11 of this section.

12                                   WATER RESOURCE SURVEY

13       SEC. 206. (a) The Secretary of the Army is hereby  
14 authorized and directed to prepare a comprehensive plan for  
15 the development and efficient utilization of the water and re-  
16 lated resources of the Appalachian region, giving special at-  
17 tention to the need for an increase in the production of eco-  
18 nomic goods and services within the region as a means of  
19 expanding economic opportunities and thus enhancing the  
20 welfare of its people, which plan shall constitute an integral  
21 and harmonious component of the regional economic develop-  
22 ment program authorized by this Act.

23       (b) This plan may recommend measures for the con-  
24 trol of floods, the regulation of the rivers to enhance their  
25 value as sources of water supply for industrial and municipi-



1 pal development, the generation of hydroelectric power, the  
2 prevention of water pollution by drainage from mines, the  
3 development and enhancement of the recreational potentials  
4 of the region, the improvement of the rivers for navigation  
5 where this would further industrial development at less cost  
6 than would the improvement of other modes of transporta-  
7 tion, the conservation and efficient utilization of the land re-  
8 source, and such other measures as may be found necessary  
9 to achieve the objectives of this section.

10 (c) To insure that the plan prepared by the Secretary  
11 of the Army shall constitute a harmonious component of  
12 the regional program, he shall consult with the Commission  
13 and the following: the Secretary of Agriculture, the Secre-  
14 tary of Commerce, the Secretary of Health, Education, and  
15 Welfare, the Secretary of the Interior, the Tennessee Valley  
16 Authority, and the Federal Power Commission.

17 (d) The plan prepared pursuant to this section shall  
18 be submitted to the Commission. The Commission shall sub-  
19 mit the plan to the President with a statement of its views,  
20 and the President shall submit the plan to the Congress with  
21 his recommendations not later than December 31, 1968.

22 (e) The Federal agencies referred to in subsection (c)  
23 of this section are hereby authorized to assist the Secretary  
24 of the Army in the preparation of the plan authorized by this  
25 section, and the Secretary of the Army is authorized to enter

1 into and perform such contracts, leases, cooperative agree-  
2 ments, or other transactions as may be necessary to the  
3 preparation of this plan and on such terms as he may deem  
4 appropriate, with any department, agency, or instrumen-  
5 tality of the United States or with any State, or any political  
6 subdivision, agency, or instrumentality thereof, or with any  
7 person, firm, association, or corporation.

8 (f) The plan to be prepared by the Secretary of the  
9 Army pursuant to this section shall also be coordinated with  
10 all comprehensive river basin plans heretofore or hereafter  
11 developed by United States study commissions, interagency  
12 committees, or similar planning bodies, for those river sys-  
13 tems draining the Appalachian region.

14 (g) Not to exceed \$5,000,000 of the funds authorized  
15 in section 401 of this Act shall be available to carry out  
16 this section.

17 PART B—SUPPLEMENTATIONS AND MODIFICATIONS OF  
18 EXISTING PROGRAMS

19 VOCATIONAL EDUCATION FACILITIES

20 SEC. 211. (a) In order to provide basic facilities to give  
21 the people of the region the training and education they  
22 need to obtain employment, the Secretary of Health, Edu-  
23 cation, and Welfare is authorized to make grants for con-  
24 struction of the school facilities needed for the provision  
25 of vocational education in areas of the region in which such



1 education is not now adequately available. Such grants  
2 shall be made in accordance with the provisions of the Voca-  
3 tional Education Act of 1963 (77 Stat. 403), without re-  
4 gard to any provisions therein relating to appropriation  
5 authorization ceilings or to allotments among the States.  
6 Grants under this section shall be made solely out of funds  
7 specifically appropriated for the purpose of carrying out  
8 this Act, and shall not be taken into account in the com-  
9 putation of the allotments among the States made pursuant  
10 to any other provision of law.

11 (b) Not to exceed \$16,000,000 of the funds authorized  
12 in section 401 of this Act shall be available to carry out  
13 this section.

14 SEWAGE TREATMENT WORKS

15 SEC. 212. (a) In order to provide facilities to assist in  
16 the prevention of pollution of the region's streams and to  
17 protect the health and welfare of its citizens, the Secretary  
18 of Health, Education, and Welfare is authorized to make  
19 grants for the construction of sewage treatment works in  
20 accordance with the provisions of the Federal Water Pollu-  
21 tion Control Act (33 U.S.C. 466 et seq.), without regard  
22 to any provisions therein relating to appropriation author-  
23 ization ceilings or to allotments among the States. Grants  
24 under this section shall be made solely out of funds specifi-  
25 cally appropriated for the purpose of carrying out this Act,

1 and shall not be taken into account in the computation of  
2 the allotments among the States pursuant to any other pro-  
3 vision of law.

4 (b) Not to exceed \$6,000,000 of the funds authorized  
5 in section 401 of this Act shall be available to carry out this  
6 section.

7 AMENDMENTS TO HOUSING ACT OF 1954

8 SEC. 213. (a) Section 701 (a) of the Housing Act of  
9 1954 (40 U.S.C. 461 (a) ) is amended by striking the word  
10 “and” at the end of paragraph (7), by substituting for the  
11 period at the end of paragraph (8) the phrase “; and”, and  
12 by adding a new paragraph (9) to read as follows:

13 “(9) the Appalachian Regional Commission, es-  
14 tablished by the Appalachian Regional Development  
15 Act of 1965, for comprehensive planning for the Ap-  
16 palachian region as defined by section 403 of such Act.”

17 (b) Section 701 (b) of the Housing Act of 1954 (40  
18 U.S.C. 461 (b) ), is amended by adding before the period  
19 at the end of the first sentence the following: “, to States  
20 participating in planning for Appalachian regional pro-  
21 grams, for expenses incurred in the course of such planning,  
22 or to the Appalachian Regional Commission”.

23 SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

24 SEC. 214. (a) In order to enable the people, States, and  
25 local communities of the region, including local development



1 districts, to take maximum advantage of Federal grant-in-  
2 aid programs (as hereinafter defined) for which they are  
3 eligible but for which, because of their economic situation,  
4 they cannot supply the required matching share, the Secretary  
5 of Commerce is authorized, pursuant to specific recommenda-  
6 tions of the Commission approved by him and after consulta-  
7 tion with the appropriate Federal officials, to allocate funds  
8 appropriated to carry out this section to the heads of the  
9 departments, agencies, and instrumentalities of the Federal  
10 Government responsible for the administration of such Fed-  
11 eral grant-in-aid programs. Funds so allocated shall be used  
12 for the sole purpose of increasing the Federal contribution  
13 to projects under such programs above the fixed maximum  
14 portion of the cost of such project otherwise authorized by  
15 the applicable law. Funds shall be so allocated for Federal  
16 grant-in-aid programs for which funds are available under  
17 the Act authorizing such programs. Such allocations shall  
18 be available without regard to any appropriation authoriza-  
19 tion ceilings in such Act.

20 (b) The Federal portion of such costs shall not be in-  
21 creased in excess of the percentages established by regula-  
22 tions promulgated by the Secretary of Commerce, and such  
23 regulations shall in no event authorize the Federal portion  
24 of such costs to exceed 80 per centum thereof.

25 (c) The term "Federal grant-in-aid programs" as used

1 in this section means those Federal grant-in-aid programs  
2 authorized by this Act for the construction or equipment of  
3 facilities, and all other Federal grant-in-aid programs author-  
4 ized on or before the effective date of this Act by Acts other  
5 than this Act for the acquisition of land and the construc-  
6 tion or equipment of facilities, including but not limited to  
7 grant-in-aid programs authorized by the following Acts:  
8 Federal Water Pollution Control Act; Watershed Protection  
9 and Flood Prevention Act; title VI of the Public Health  
10 Service Act; Vocational Education Act of 1963; Library  
11 Services Act; Federal Airport Act; part IV of title III of  
12 the Communications Act of 1934; Higher Education Facil-  
13 ities Act of 1963; Land and Water Conservation Fund Act  
14 of 1965; National Defense Education Act of 1958. The  
15 term shall not include (A) the program for the construc-  
16 tion of the development highway system authorized by sec-  
17 tion 201 of this Act or any other program relating to high-  
18 way or road construction, or (B) any other program for  
19 which loans or other Federal financial assistance, except a  
20 grant-in-aid program, is authorized by this or any other Act.

21 (d) Not to exceed \$90,000,000 of the funds authorized  
22 in section 401 of this Act shall be available to carry out this  
23 section.



## PART C—GENERAL PROVISIONS

## MAINTENANCE OF EFFORT

SEC. 221. No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds, exclusive of Federal funds, for the benefit of the area within the State located in the region are maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act. In computing the average level of expenditure for its last two fiscal years, a State's past expenditure for participation in the National System of Interstate and Defense Highways shall not be included. The Commission shall recommend to the President or such Federal officer or officers as the President may designate, a lesser requirement when it finds that a substantial population decrease in that portion of a State which lies within the region would not justify a State expenditure equal to the average level of the last two years or when it finds that a State's average level of expenditure, within an individual program, has been disproportionate to the present need for that portion of the State which lies within the region.

1                                   **CONSENT OF STATES**

2           SEC. 222. Nothing contained in this Act shall be inter-  
3    preted as requiring any State to engage in or accept any  
4    program under this Act without its consent.

5                                   **PROGRAM IMPLEMENTATION**

6           SEC. 223. A program and projects authorized under any  
7    section of this title shall not be implemented until (1) the  
8    Commission has consulted with the appropriate official or  
9    officials concerned with such program and projects as may be  
10   designated by the Governor or Governors of the State or  
11   States involved and has obtained the recommendations of  
12   such official or officials with respect to such program and  
13   projects and (2) plans with respect to such program and  
14   projects have been recommended by the Commission and  
15   have been submitted to and approved or modified by the  
16   President or such Federal officer or officers as the President  
17   may designate.

18                                   **PROGRAM DEVELOPMENT CRITERIA**

19           SEC. 224. (a) In developing recommendations on the  
20    programs and projects to be given assistance under this Act,  
21    and in establishing within those recommendations a priority  
22    ranking of the requests for assistance presented to the Com-  
23    mission, the Commission shall follow procedures that will  
24    insure consideration of the following factors:

25                   (1) the relationship of the project or class of proj-



ects to overall regional development including its location in an area determined by the State have a significant potential for growth;

(2) the population and area to be served by the project or class of projects including the relative per capita income and the unemployment rates in the area;

(3) the relative financial resources available to the State or political subdivisions or instrumentalities thereof which seek to undertake the project;

(4) the importance of the project or class of projects in relation to other projects or classes of projects which may be in competition for the same funds;

(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic and social development of the area served by the project.

(b) No financial assistance shall be authorized under this Act to be used (1) in relocating any establishment or establishments from one area to another; (2) to finance the cost of industrial plants, commercial facilities, machinery, working capital, or other industrial facilities or to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors; (3) to finance the cost of facilities for the generation, trans-

1 mission, or distribution of electric energy; or (4) to finance  
2 the cost of facilities for the production, transmission, or dis-  
3 tribution of gas (natural, manufactured, or mixed).

#### 4 TITLE III—ADMINISTRATION

##### 5 LOCAL DEVELOPMENT DISTRICTS—CERTIFICATION

6 SEC. 301. For the purposes of this Act, a “local develop-  
7 ment district” shall be an entity certified to the Commission  
8 either by the Governor of the State or States in which such  
9 entity is located, or by the State officer designated by the  
10 appropriate State law to make such certification, as having  
11 a charter or authority that includes the economic develop-  
12 ment of counties or parts of counties or other political sub-  
13 divisions within the region. No entity shall be certified as  
14 a local development district for the purposes of this Act  
15 unless it is one of the following:

16 (1) a nonprofit incorporated body organized or  
17 chartered under the law of the State in which it is  
18 located;

19 (2) a nonprofit agency or instrumentality of a State  
20 or local government;

21 (3) a nonprofit agency or instrumentality created  
22 through an interstate compact; or

23 (4) a nonprofit association or combination of such  
24 bodies, agencies, and instrumentalities.



1 GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DE-  
2 VELOPMENT DISTRICTS AND FOR RESEARCH AND  
3 DEMONSTRATION PROJECTS

4 SEC. 302. (a) The Secretary of Commerce is author-  
5 ized—

6 (1) either directly or through arrangements with  
7 the Commission, to make grants for administrative ex-  
8 penses to local development districts. The amount of  
9 any such grant shall not exceed 75 per centum of such  
10 expenses in any one fiscal year. No grants for adminis-  
11 trative expenses shall be made to a local development  
12 district for a period in excess of three years beginning on  
13 the date the initial grant is made to such development  
14 district. The local contributions for administrative ex-  
15 penses may be in cash or in kind, fairly evaluated, in-  
16 cluding but not limited to space, equipment, and serv-  
17 ices; and

18 (2) either directly or through arrangements with  
19 appropriate public or private organizations (including  
20 the Commission), to provide funds for investigation,  
21 research, studies, and demonstration projects, but not  
22 for construction purposes, which will further the pur-  
23 poses of this Act.

24 (b) Recipients of Federal assistance under the pro-

1 visions of this section shall, in accordance with regulations  
2 to be promulgated by the Secretary of Commerce, maintain  
3 accurate and complete records of transactions and activities  
4 financed with Federal funds and report thereon to the  
5 Secretary of Commerce. The records of the recipient shall  
6 be available for audit with respect to such grants by the  
7 Secretary of Commerce and the Comptroller General, or  
8 their duly authorized representatives.

9 (c) Not to exceed \$5,500,000 of the funds author-  
10 ized in section 401 of this Act shall be available to carry out  
11 this section.

12 (d) No part of any appropriated funds may be expended  
13 pursuant to authorization given by this Act involving any  
14 scientific or technological research or development activity  
15 unless such expenditure is conditioned upon provisions effec-  
16 tive to insure that all information, copyrights, uses, processes,  
17 patents, and other developments resulting from that activity  
18 will be made freely available to the general public. Nothing  
19 contained in this subsection shall deprive the owner of any  
20 background patent relating to any such activity, without his  
21 consent, of any right which that owner may have under that  
22 patent. Whenever any information, copyright, use, process,  
23 patent or development resulting from any such research or  
24 development activity conducted in whole or in part with ap-  
25 propriated funds expended under authorization of this Act is



1 withheld or disposed of by any person, organization, or  
2 agency in contravention of the provisions of this subsection,  
3 the Attorney General shall institute, upon his own motion or  
4 upon request made by any person having knowledge of perti-  
5 nent facts, an action for the enforcement of the provisions of  
6 this subsection in the district court of the United States for  
7 any judicial district in which any defendant resides, is found,  
8 or has a place of business. Such court shall have jurisdiction  
9 to hear and determine such action, and to enter therein such  
10 orders and decrees as it shall determine to be required to  
11 carry into effect fully the provisions of this subsection.  
12 Process of the district court for any judicial district in any  
13 action instituted under this subsection may be served in any  
14 other judicial district of the United States by the United  
15 States marshal thereof. Whenever it appears to the court in  
16 which any such action is pending that other parties should  
17 be brought before the court in such action, the court may  
18 cause such other parties to be summoned from any judicial  
19 district of the United States.

#### 20 PROJECT APPROVAL

21 SEC. 303. An application for a grant or for any other  
22 assistance for a program or project under this Act shall be  
23 made only by a State, a political subdivision of a State, or  
24 a local development district. Each such application shall be  
25 made through the State member of the Commission repre-

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1 Federal funds authorized under this Act, shall be paid wages  
2 at rates not less than those prevailing on similar construc-  
3 tion in the locality as determined by the Secretary of Labor  
4 in accordance with the Davis-Bacon Act, as amended (40  
5 U.S.C. 276a—276a-5). The Secretary of Labor shall have  
6 with respect to such labor standards, the authority and func-  
7 tions set forth in Reorganization Plan Numbered 14 of  
8 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133—  
9 133z-15), and section 2 of the Act of June 13, 1934, as  
10 amended (48 Stat. 948, as amended; 40 U.S.C. 276 (c)).

#### 11 DEFINITION OF APPALACHIAN REGION

12 SEC. 403. As used in this Act, the term “Appalachian  
13 region” or “the region” means that area of the eastern  
14 United States consisting of the following counties (including  
15 any political subdivision located within such area) :

16 In Alabama, the counties of Bibb, Blount, Calhoun,  
17 Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert,  
18 Coosa, Cullman, De Kalb, Elmore, Etowah, Fayette,  
19 Franklin, Jackson, Jefferson, Lauderdale, Lawrence,  
20 Limestone, Madison, Marion, Marshall, Morgan, Ran-  
21 dolph, Saint Clair, Shelby, Talladega, Tallapoosa,  
22 Tuscaloosa, Walker, and Winston;

23 In Georgia, the counties of Banks, Barrow, Bartow  
24 Carroll, Catoosa, Chattooga, Cherokee, Dade, Dawson,  
25 Douglas, Fannin, Floyd, Forsyth, Franklin, Gilmer,

1       Gordon, Gwinnett, Habersham, Hall, Haralson, Heard,  
 2       Jackson, Lumpkin, Madison, Murray, Paulding, Pick-  
 3       ens, Polk, Rabun, Stephens, Towns, Union, Walker,  
 4       White. and Whitfield;

5           In Kentucky, the counties of Adair, Bath, Bell,  
 6       Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton,  
 7       Cumberland, Elliott, Estill, Fleming, Floyd, Garrard,  
 8       Green, Greenup, Harlan, Jackson, Johnson, Knott,  
 9       Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis,  
 10      Lincoln, McCreary, Madison, Magoffin, Martin, Menifee,  
 11      Monroe, Montgomery, Morgan, Owsley, Perry, Pike,  
 12      Powell, Pulaski, Rockcastle, Rowan, Russell, Wayne,  
 13      Whitley, and Wolfe;

14           In Maryland, the counties of Allegany, Garrett, and  
 15      Washington;

16           In North Carolina, the counties of Alexander, Alle-  
 17      ghany, Ashe, Avery, Buncombe, Burke, Caldwell,  
 18      Cherokee, Clay, Davie, Forsyth, Graham, Haywood,  
 19      Henderson, Jackson, McDowell, Macon, Madison,  
 20      Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Tran-  
 21      sylvania, Watauga, Wilkes, Yadkin, and Yancey;

22           In Ohio, the counties of Adams, Athens, Belmont,  
 23      Brown, Carroll, Clermont, Coshocton, Gallia, Guernsey,  
 24      Harrison, Highland, Hocking, Holmes, Jackson, Jeffer-  
 25      son, Lawrence, Meigs, Monroe, Morgan, Muskingum,



1 Noble, Perry, Pike, Ross, Scioto, Tuscarawas, Vinton,  
2 and Washington;

3 In Pennsylvania, the counties of Allegheny, Arm-  
4 strong, Beaver, Bedford, Blair, Bradford, Butler,  
5 Cambria, Cameron, Carbon, Centre, Clarion, Clear-  
6 field, Clinton, Columbia, Crawford, Elk, Erie, Fayette,  
7 Forest, Fulton, Greene, Huntingdon, Indiana, Jefferson,  
8 Juniata, Lackawanna, Lawrence, Luzerne, Lycoming,  
9 McKean, Mercer, Mifflin, Monroe, Montour, North-  
10 umberland, Perry, Pike, Potter, Schuylkill, Snyder,  
11 Somerset, Sullivan, Susquehanna, Tioga, Union,  
12 Venango, Warren, Washington, Wayne, Westmoreland,  
13 and Wyoming;

14 In South Carolina, the counties of Anderson, Chero-  
15 kee, Greenville, Oconee, Pickens, and Spartanburg;

16 In Tennessee, the counties of Anderson, Bledsoe,  
17 Blount, Bradley, Campbell, Carter, Claiborne, Clay,  
18 Cocke, Coffee, Cumberland, De Kalb, Fentress,  
19 Franklin, Grainger, Greene, Grundy, Hamblen,  
20 Hamilton, Hancock, Hawkins, Jackson, Jefferson,  
21 Johnson, Knox, Loudon, McMinn, Macon, Marion,  
22 Meigs, Monroe, Morgan, Overton, Pickett, Polk, Put-  
23 nam, Rhea, Roane, Scott, Sequatchie, Sevier, Smith,  
24 Sullivan, Unicoi, Union, Van Buren, Warren, Wash-  
25 ington, and White;

1           In Virginia, the counties of Alleghany, Bath, Bland,  
2       Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd,  
3       Giles, Grayson, Highland, Lee, Pulaski, Russell, Scott,  
4       Smyth, Tazewell, Washington, Wise, and Wythe;

5           All the counties of West Virginia:

6   *Provided*, That the Commission is hereby authorized and  
7   directed to study and consider, in consultation with the  
8   Governor of the State of New York or an appropriate official  
9   or officials designated by him, the inclusion of such counties  
10   of the State of New York as are contiguous to the Appa-  
11   lachian region as defined in this section and counties con-  
12   tiguous thereto in the Appalachian region for the purposes  
13   of this Act; and if the Commission shall decide after such  
14   consultation, that these counties share the social and eco-  
15   nomic characteristics of the region, and that the inclusion of  
16   these counties would further the purposes of this Act as set  
17   forth in section 2, then the Commission is authorized and  
18   directed to invite the State of New York to participate in the  
19   Commission on an appropriate basis: *Provided further*, That  
20   the Commission may extend the invitation to the State of  
21   New York for inclusion of such of the described counties the  
22   inclusion of which would further the purposes of the Act:  
23   *And provided further*, That if such invitation is duly accepted  
24   by the State of New York, those counties shall be included



1 in “the region” or “the Appalachian region” for the purposes  
2 of this Act.

3 SEVERABILITY

4 SEC. 404. If any provision of this Act, or the applica-  
5 bility thereof to any person or circumstance, is held invalid,  
6 the remainder of this Act, and the application of such  
7 provision to other persons or circumstances, shall not be  
8 affected thereby.

9 TERMINATION

10 SEC. 405. This Act shall cease to be in effect on July 1,  
11 1971.

Passed the Senate February 1 (legislative day, January  
29), 1965.

Attest:

FELTON M. JOHNSTON,

*Secretary.*







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## AN ACT

To provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

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FEBRUARY 2, 1965

Referred to the Committee on Public Works









Feb. 8, 1965

HOUSE

23. SUPPLEMENTAL APPROPRIATIONS. Received from the President supplemental appropriation estimates for the fiscal year 1965 (H. Doc. 80 p. 2123) which included proposals for this Department as follows:

Agricultural Research Service:

Southwest screwworm program .....	\$ 550,000
Pay Act costs .....	6,013,000
Sugar Act program (additional payment to sugar producers) .....	6,000,000
Emergency Conservation Measures (for repair of farm and range lands damaged by flood and other natural disasters) .....	10,000,000
Forest Service:	
For fighting forest fires .....	14,000,000
Pay Act costs .....	<u>3,924,000</u>
Total .....	<u>\$40,487,000</u>

House conferees were appointed on H. J. Res. 234, the USDA supplemental appropriation bill, after rejecting by a vote of 165 to 241 a motion to instruct the conferees to insist on disagreement to the Senate amendment providing Presidential discretion in sales to the UAR under Public Law 480. The conferees were given permission to have until midnight Feb. 9 to file a report. pp. 2052-65, 2094-5, 2104-5 (Senate conferees had been appointed.)

24. CONSERVATION. Reps. Saylor, Albert, Boggs, Aspinall, O'Brien, Johnson, Calif., and Udall praised the President's conservation message. pp. 2049-51

25. RESEARCH. Rep. Roosevelt spoke in support of his bill, H. R. 890, to provide research, technical, and financial assistance with respect to the disposal of solid wastes. pp. 2078-9

26. FUTURE FARMERS. Rep. Natcher commended the work of the Future Farmers of America. p. 2093

27. APPALACHIA. A subcommittee of the Public Works Committee voted to report to the full committee S. 3, the Appalachia bill. p. D83

28. EXPENDITURES. Rep. Curtis inserted excerpts from a study by economists of the National Industrial Conference Board including Federal budget expenditures on agriculture and the rise in cost of the farm program. pp. 2084-85

29. COMMITTEE ASSIGNMENTS. Reps. Patman, Bolling, Boggs, Reuss, Griffiths, Curtis, Widnall, and Ellsworth were appointed to the Joint Economic Committee. pp. 2051-2

Rep. Ford announced that Reps. Pelly, Hall, and Johnson of Pa. were assigned as official objectors for the minority. p. 2043

30. FARM LABOR. Rep. Teague, Calif., stated that California's "critical need... for workers, were totally ignored by the President in his farm message to Congress," and that "we do not seem to have any friends in this administration, since we are being over-looked by the President and harassed by the Secretary of Labor." p. 2044

Rep. Roncalio appealed for clarification of the foreign national farm labor situation before Wyoming's sugar beets are spoiling in the fields and inserted letters from constituents stating that very few of the domestic labor force are available for that kind of manual labor. pp. 2105-6

Received from the Western Association of Nurserymen a petition urging the Department of Labor to rescind recent regulations governing employment of foreign workers for seasonal agricultural work.

31. FAMILY FARMS. Rep. Hungate urged more determination to preserve the family farm as an important segment of our society. p. 2118

#### ITEMS IN APPENDIX

32. FOREST SERVICE. Extension of remarks of Rep. Johnson, Calif., commending the Forest Service on their "60th birthday". pp. A476-7  
Rep. Sikes inserted an address by Edward P. Cliff, Chief, Forest Service, "The Forest Service Looks Forward To 1975." pp. A510-1
33. FARM PROGRAM. Speeches in the House by Reps. Bandstra and Culver commending the President's farm message. pp. A486, A520
34. COTTON; TEXTILES. Extension of remarks of Rep. Findley criticizing the cotton program and inserting an article, "One-Price Cotton Benefits Oversold?" p. A506
35. AGRICULTURAL EXPORTS. Rep. Stubblefield inserted Secretary Freeman's address before the Ky. Governor's Conference on Agriculture in which he discussed his Western Europe conferences with Common Market officials. pp. A507-9
36. POVERTY. Extension of remarks of Rep. Shriver inserting a constituent's letter questioning the effectiveness of the war on poverty. p. A511
37. APPROPRIATIONS. Rep. Tuck inserted a magazine article commending Sen. Byrd's proposal "for putting congressional spending authority in a single package." p. A521
38. FLOOD RELIEF. Extension of remarks of Rep. Don H. Clausen, inserting an article telling of the situation facing the people of California due to the havoc wrought by the recent floods. p. A482

#### BILLS INTRODUCED

39. HOLIDAY. H. R. 4488 by Rep. Findley, to make the birthday of Abraham Lincoln a legal holiday; to Judiciary Committee.  
H. R. 4516 by Rep. Onge, declaring October 12 to be a legal holiday, to be known as Columbus Day; to Judiciary Committee.
40. CONTRACTS. H. R. 4497 by Rep. Ichord, to amend the act of August 24, 1935, to require certain contractors with the United States to give an affidavit with respect to payment of subcontractors; to Judiciary Committee. Remarks of author pp. 2077-8
41. DISASTER RELIEF. H. R. 4498 by Rep. Johnson, California, to authorize a study of methods of helping to provide financial assistance to victims of future natural disasters; to Banking and Currency Committee.









# Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official Business Postage and fees paid

U. S. Department of Agriculture

Issued February 11, 1965

For actions of February 10, 1965

89th-1st; No. 27

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**HIGHLIGHTS:** Both Houses agreed to conference report on USDA supplemental appropriation bill. House committee voted to report Appalachia bill. Rep. Roncalio protested proposed closing of Cheyenne Horticultural Research Station. Sen. Sparkman reported progress to increase beef exports. Rep. Andrews introduced and discussed bill to allow planting of soybeans on diverted feed grain acreage.

### HOUSE

1. **APPROPRIATIONS.** Both Houses agreed to the conference report on H. J. Res. 234, providing supplemental appropriations for this Department (pp. 2428-43, 2530-39). The bill had been reported earlier by the conferees (H. Rept. 36)(p. 2469). This bill will now be sent to the President. As passed the bill includes provisions as follows:

Precludes this Department from using funds prior to May 1, 1965, to formulate or administer a program to eliminate agricultural research stations or lines of research.

Forbids the use of Public Law 480 funds during fiscal year 1965 to finance the export under title I of any agricultural commodity to the United Arab Republic except when such exports are necessary to carry out the October 1962 sales agreement and if the President determines that the financing of such exports is in the national interest.

A Senate amendment which would have authorized the use of available funds of the Agricultural Research Service for the installation of temperature and humidity control equipment at the Metabolism and Radiation Laboratory, Fargo, N. Dak., was eliminated from the bill.

The bill provides the following amounts, which are the same as those provided by the House and Senate:

<u>Item</u>	<u>Conference Report</u>
Commodity Credit Corporation:	
Reimbursement for net realized losses .....	\$1,100,000,000
Public Law 480:	
Sale of surplus agricultural commodities for foreign currencies (Title I) .....	250,000,000
Long-term supply contracts (Title IV) .....	200,000,000
International Wheat Agreement .....	<u>50,000,000</u>
Total .....	<u>\$1,600,000,000</u>

2. BALANCE OF PAYMENTS. Both Houses received the President's message on balance of payments and the U. S. gold position (H. Doc. 83)(pp. 2419-22, 2500-04, 2423-5) in which he stated that American business, labor, agriculture, and Government must work together to maintain stable costs and prices and strengthen our trade position in the world, and that we will strive to eliminate such artificial barriers to U. S. exports as discriminatory freight rates on ocean traffic.

3. APPALACHIA. The Public Works Committee voted to report (but did not actually report) S. 3, to provide public works and economic redevelopment programs and the planning and coordination needed to assist in the development of the Appalachian region. p. D93

4. PERSONNEL. Passed without amendment the following:

H. R. 158, to amend the Civil Service Retirement Act so as to permit the recovery of amounts due the Government in the settlement of claims under the Act. p. 2426

H. R. 1535, to authorize the Civil Service Commission to establish a schedule or schedules of pay differentials for irregular or intermittent duty involving unusual physical hardship or hazard. p. 2426

H. R. 1647, to authorize the Civil Service Commission to provide for the payment of amounts and restoration of employment benefits to certain Federal employees found to have been improperly deprived of such benefits. pp. 2426-7

H. R. 1746, to define the term "child" for lumpsum purposes under the Civil Service Retirement Act so as to include an adopted child and a natural child, but not a stepchild. p. 2427









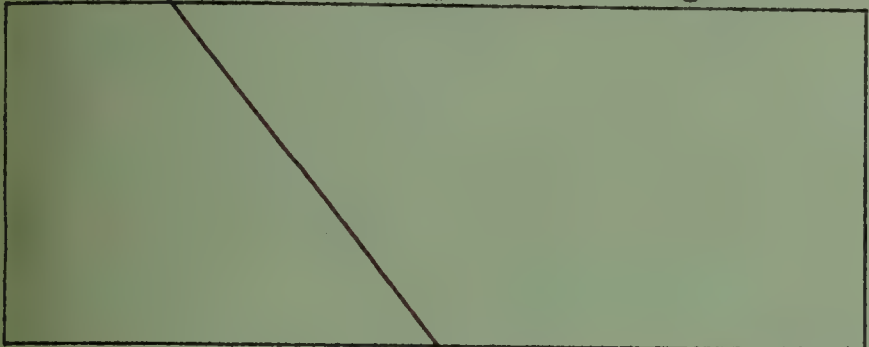
# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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HIGHLIGHTS: House committee reported Appalachia bill. Rep. Roosevelt urged cutting off of Public Law 480 aid to Egypt. Several Senators commended poverty program. Sen. Douglas commended USDA efforts to stimulate beef exports through trade fairs.

### HOUSE

1. APPALACHIA. The Public Works Committee reported without amendment S. 3, to provide public works and economic development programs and assist in the development of the Appalachian region (H. Rept. 51). p. 2867
2. FOREIGN AID. Rep. Roosevelt criticized the abandonment by the House of its position that further aid to Egypt under title I of Public Law 480 be prohibited. p. 2865
3. PERSONNEL. Rep. Nelsen inserted a copy of his letter to Secretary Freeman asking his cooperation during the FBI investigation which is taking place in the Rural Electrification Administration in connection with alleged solicitations for political campaign funds. pp. 2852-3

4. EDUCATION; RESEARCH. Rep. Huot discussed and urged enactment of his bill H. R. 4879, to promote economic growth by supporting State and regional centers to place the findings of science usefully in the hands of American enterprise. p. 2864
5. POVERTY. Received from the President "certain recommendations regarding the war against poverty" (H. Doc. 90). p. 2867
6. ELECTRIFICATION. Received from GAO a report on examination of the financial statements of the Bonneville Power Administration for fiscal year 1963. p. 2867
7. TRANSPORTATION. Received from the Commerce Dept. a proposed bill "to amend the Merchant Marine Act, 1936, to provide for the continuation of authority to develop American-flag carriers and promote the foreign commerce of the United States through the use of mobile trade fairs"; to Merchant Marine and Fisheries Committee.

SENATE

8. BEEF EXPORTS. Sen. Douglas commended the efforts of this Department to stimulate beef exports through livestock exhibits at foreign trade fairs and inserted an article, "Beef Exports To Get Boost At West Berlin Farm Fair." p. 2751
9. POVERTY. Sens. Randolph, Young (O.), Ribicoff, McGovern, Mondale, and Williams (N. J.) commended accomplishments of the poverty program. pp. 2745-7
10. AGRICULTURAL LEGISLATION. Sen. Dirksen inserted a compilation by the staff of the Senate Republican policy committee of bills introduced by Republican Senators, including those relating to agriculture, public works, natural resources, civil service, and international affairs. pp. 2724-6
11. SCIENCE; RESEARCH. Received from the President the report of the National Science Foundation for fiscal year 1964 (H. Doc. 89). p. 2694
12. PROPERTY; BUILDINGS. Received from GSA a proposed bill "to authorize the Administrator of General Services to enter into contracts for the inspection, maintenance, and repair of fixed equipment in federally owned buildings for periods not to exceed 5 years"; to Government Operations Committee. p. 2698
13. FOREST ROADS. Received from the Idaho Legislature a resolution urging additional funds "to expedite completion of an adequate transportation system on the main roads of national forests and public domain." p. 2700
14. PERSONNEL. Sen. Carlson expressed concern over the fiscal soundness of the Civil service retirement fund and urged additional payments to the fund by the Federal Government for its contributions which are in arrears. pp. 2730-1
15. BUDGET. Sen. McClellan inserted an editorial favoring enactment of legislation to create a Joint Congressional Committee on the Budget. p. 2731  
Sen. Hruska spoke in support of S. J. Res. 30, proposing a constitutional amendment to provide a balanced Federal budget. pp. 2756-7
16. FOREIGN TRADE. Sen. Dirksen inserted a letter to the Commerce Department protesting the decision to let export controls on walnut wood expire. pp. 2737-9



## APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

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FEBRUARY 17, 1965.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. FALLON, from the Committee on Public Works, submitted the following

### REPORT

[To accompany S. 3]

The Committee on Public Works, to whom was referred the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### GENERAL STATEMENT

This bill represents the culmination of consideration of the problems of Appalachia by two sessions of the Congress, by a Presidential commission, and by the conference of Appalachian Governors.

There have been many descriptions of Appalachia but we believe that the statement contained in the report of the President's Appalachian Regional Commission, published in early 1964, is still the most apt characterization of this 11-State area. The opening words of that report state:

Appalachia is a region apart—geographically and statistically. It is a mountain land boldly upthrust between the prosperous eastern seaboard and the industrial Middle West—a highland region which sweeps diagonally across 11 States from northern Pennsylvania to northern Alabama. Its ridges and twisted spurs and valleys measure to 165,000 square miles—an area 10 times the size of Switzerland.

Appalachia has natural advantages which might normally have been the base for a thriving industrial and commercial complex. Below its surface lie some of the Nation's richest mineral deposits including the seams which have provided almost two-thirds of the Nation's coal supply. The region receives an annual rainfall substantially above the national average. More than three-fifths of the land is forested. Its mountains offer some of the most beautiful landscapes in east-

ern America, readily lending themselves to tourism and recreation.

Yet this natural endowment has benefited too few of the 15.3 million people of Appalachia.

Without question, the problems of Appalachia have occupied the attention of Americans for most of this century. Gathering dust in the archives of the United States are several reports which have analyzed the specific difficulties facing the region and have suggested solutions to overcome those difficulties.

This bill represents the first concerted effort on the part of both the Federal Government and the governments of the Appalachian States to solve the basic and underlying problems which are so apparent within the region.

By the above statement the committee does not imply that no efforts have been made in the past to ease the difficulties which confront the people of Appalachia. For example, current Federal costs for public welfare assistance in Appalachia exceed \$375 million a year—a sum which is provided in large measure by taxpayers from outside of Appalachia. The States of Appalachia have also spent a substantial sum in an effort to upgrade the living conditions in the region.

But even in their aggregate, these expenditures by both the Federal and State Governments have not been sufficient to overcome the basic causes of unemployment and low income which characterize so much of Appalachia. This bill attempts to meet these basic causes so that a foundation can be constructed for the future economic growth of the area. Since the present bill is a result primarily of the work of the President's Appalachian Regional Commission, a brief history of that Commission and the effort that preceded it are in order.

The Governors of the Appalachian States, aware of the problems outlined above, formed the conference of Appalachian Governors in 1960. After 3 years of study and deliberation, that conference concluded that active Federal cooperation was essential to the formation of comprehensive solutions to the problems facing the region. They requested President John F. Kennedy to establish a joint Federal-State commission to develop those comprehensive solutions.

On April 9, 1963, President Kennedy responded to the request of the Governors by establishing the President's Appalachian Regional Commission. The Commission was comprised of the representatives of the Appalachian States and representatives of the major Federal agencies concerned with the problems of the region. The Commission conducted a year-long study of the region. That study included two tours throughout the Appalachian States, during which representatives from all segments of Appalachian economic life were consulted. Numerous meetings were held in the city of Washington between Federal and State representatives on the President's Commission.

A year to the day from the establishment of the Commission by President Kennedy, on April 9, 1964, it submitted its report to President Lyndon B. Johnson. That report contained detailed recommendations on how a coordinated program of Federal, State, and local investment could solve the most urgent problems facing the region. That report was the product of a year's work involving the following States and the following Federal agencies:



*States*

West Virginia, Alabama, Georgia, Kentucky, Maryland, North Carolina, Tennessee, Virginia, and Pennsylvania.

*Federal agencies*

Department of Health, Education, and Welfare; Tennessee Valley Authority; Atomic Energy Commission; Small Business Administration; National Aeronautics and Space Administration; Area Redevelopment Administration; Department of the Treasury; Department of Defense; Department of the Interior; Department of Agriculture; Department of Commerce; Department of Labor; and the Housing and Home Finance Agency.

President Johnson responded to this report by his message to the Congress, on April 29, 1964, in which he submitted his administration's draft of an Appalachian Regional Development Act of 1964.

## PREFERENTIAL TREATMENT

Throughout the course of congressional consideration of this bill, the committee has noted the frequent statement that the Appalachian bill discriminates against other sections of the United States. It is true that the bill permits Federal expenditure only in the listed counties of Appalachia; hence, other counties outside the region cannot benefit from the direct expenditure of these funds. But the committee does not consider this to be preferential treatment. It is rather a redress of the basic past shortcomings of Federal spending policies in the region.

At the present time Appalachia, with 8.5 percent of the Nation's population, receives only 5 percent of the total Federal dollar expenditure. This 5 percent includes the disproportionate share of welfare dollars which are spent in the region.

Furthermore, concentrated spending of Federal funds in a given region of the country is nothing new to Federal policy. Massive efforts have been initiated in the past to develop particular regions in the United States. These investments have contributed immeasurably to the national welfare and prosperity. We are a great nation today precisely because these localized investments contributed so much to the growth of the total national economy. The committee believes that the Appalachian program is another of these investment efforts by the Federal Government which will produce unquestioned national benefits.

For example, it has been estimated that if the average Appalachian enjoyed the same purchasing power of the average American, an additional \$4 billion of national retail sales would have occurred last year. Had the average per capita income of Appalachia equaled the national average, our annual rate of personal income would have increased by \$5.2 billion.

The committee recognizes that there are other regions of the United States which face severe problems of unemployment and low income. The fact that Appalachia is the largest of such regions and has suffered the longest from such impoverished conditions, should in no way detract from the need for other regional efforts.

The President of the United States, in his conversations with congressional leaders, has assured the Congress that the means for estab-

lishing such other needed regional efforts will be made available through other legislation. These assurances are but a further demonstration of his intention to introduce such regional legislation, an intention that he first expressed in his state of the Union message, in which the President called for "a regional recovery program to assist development of stricken areas left behind by our national progress."

### THE REGIONAL APPROACH

One of the major criticisms leveled at this bill is directed at the lack of restrictions in the bill as to where funds can be spent. Amendments have been offered which would restrict expenditures to those counties in the region which qualify for either area redevelopment assistance or were eligible under the Accelerated Public Works Act of 1962. The committee believes that such an amendment would destroy the essential nature of the Appalachian program. In the preamble to the bill is the following language:

The public investments made in the region under this Act shall be concentrated in areas where there is a significant potential for future growth, and where the expected return on public dollars invested will be greatest.

This language is intended to direct the Appalachian Commission and those agencies charged with the implementation of the Appalachian program to allocate funds to locations which show promise for future economic growth. It would be obviously impossible to ask this Congress to appropriate the funds necessary to bring every single location in Appalachia up to acceptable economic standards. While such an objective would be a worthy one, Federal dollar resources are obviously insufficient to accomplish such a task.

It was the committee's intention, in approving the language in the preamble, to stimulate an investment policy in which the funds invested would be concentrated to provide facilities, in the subregions which would insure the attraction of new jobs. This does not mean that these investments must be designed to attract only one kind of economic activity. In some regions of Appalachia the funds will be invested so as to promote manufacturing growth. In other areas the funds would be invested to stimulate the recreational potential which exists. Some locations in Appalachia can best serve as a commercial center for the farming and recreational activities which will surround it.

The heavy concentration on road construction in this bill is to accomplish not just the opening up of Appalachia to the rest of the Nation, but also to insure commuting, to and from work, can be made easier.

In metropolitan America a substantial number of citizens live in one community and work in another. In many of our metropolitan areas, the commuting time can vary between 1 to 3 hours a day for the two-way trip. Throughout Appalachia, commuting to and from work has become a more frequent pattern—one which the committee believes will inevitably grow.

This bill is designed to foster that trend. The committee believes that such a trend offers a strong, indeed perhaps the only, alternative to a continuing pattern of out-migration from Appalachia itself.

This committee, therefore, accepts the report of the President's Appalachian Regional Commission and the testimony on this bill ac-



knowledging that it is within the tradition and the prevailing practice of American economic development to provide for the full utilization of the resources of every area of this country. For the well-being of the national economy as a whole is dependent on the continued progress of all segments and sectors of the economy. The committee also agrees with the regional approach embodied in S. 3 and recommended by the President's Appalachian Commission in the recognition that poverty is no respecter of State lines and deprivation is no respecter of county lines. The State, Federal, and local approach to solving Appalachia's economic problems is the most feasible and the most workable method of restoring the region through the combined resources of all levels of government.

Funds authorized under the Appalachian program are to be considered over and above those normally available under existing Federal programs. The committee intends that the criteria which will be developed by the Commission, the Federal Government, and the States, shall all be aimed at economic development. Past criteria within existing Federal expenditures, which shall continue to be applied through existing programs, will not necessarily be guiding for the Appalachian effort.

For example, at present, vocational educational expenditures are placed in certain locations because of high unemployment; because of the lack of skills which characterize the unemployed; and because there is a heavy demand, by businessmen, for the training of those unemployed. These are worthy reasons and should obviously be continued within the existing vocational educational program, but the committee would regard as appropriate for the location of new vocational educational schools, the development of criteria that will be related to the future needs of Appalachia. The committee believes that the funds for the Appalachian program should be concentrated along with other investments, in such a manner as to insure the future economic growth of the region.

S. 3 contains a program that meets the needs of the people of Appalachia. S. 3, after it has been successfully implemented by the Federal and State agencies involved in the program, will enable the people of the area, through the investments of private industry, to bring about the full-scale development of this region. S. 3 is simply the opening step in a campaign to bring the Appalachian region and the people of Appalachia up to the same economic level as the rest of the citizens of the United States.

## MAJOR FEATURES OF THE BILL

### THE APPALACHIAN REGIONAL COMMISSION

#### *Introduction*

Title I of the bill establishes an organization to accomplish what the President's Appalachian Regional Commission believed to be the key to Appalachian prosperity—"coordinated action between the States and Federal Government." That organization will be known as the Appalachian Regional Commission.

The committee believes that future public investment in Appalachia at the Federal, State, or local level will be far more effective if it is coordinated. Appalachia's inadequate tax base has necessarily meant an inadequate State and local investment. The funds that

have been expended on development programs and facilities in the region would have achieved better results had they been concentrated in a unified attack on the most severe regional economic problems.

Attempts have been made in the past to provide a more coordinated pattern of investment. What has been missing is the means to plan such a coordinated attack; the Appalachian Regional Commission will provide such means.

*The Commission is not intended as, and will not be, an operating agency. It will be the initiator of comprehensive program and project plans for regional development.*

Section 223 of the bill provides that the Commission will make initial recommendations on each phase of the programs contained in the bill. It should be made clear that the final decision on the implementation of the Commission's recommendations will rest with the President and with the States.

#### *State responsibility*

The committee would emphasize the fact that State interests are totally protected in this bill. Under the terms of section 222, a State must give its consent before any program is implemented within its boundaries.

The procedures for approval and implementation of programs and projects are set forth in sections 223 and 303 of the bill. In summary, they provide that an application for assistance under the act may originate from any source in a State's eligible counties, but the application can reach the Commission only through the State representative on the Commission.

This means that neither the Commission nor the Federal cochairman can dictate to a State what projects it should recommend to the Commission, nor can the Commission bypass the State representative by approving projects and programs submitted by another source. These provisions further assign to the States the primary responsibility for maintaining a close and coherent relationship between individual projects and overall economic development programs for their respective areas of Appalachia. The committee would note that the critical role of the States in the Appalachian development programs calls for the appointment of persons of the highest talents and capabilities to staff and implement this program.

Since the primary aim of this act is to stimulate and foster economic growth in the Appalachian region, it is appropriate for the Commission to be guided by the criteria set forth in section 224, which stress the potential for future growth. Here also the Commission will be guided by the assumption that the individual States are best qualified to determine in their respective areas the locations of significant potential for economic growth.

The Governors of the affected States have been the most enthusiastic advocates of the regional approach which the new Commission would represent. They worked together for 3 years to bring about the creation of the President's Appalachian Regional Commission. The report of that Commission clearly indicates that the Governors have merged their own individual State interests within the recommendations of the President's Commission calling for a regionwide effort. Their views will be expressed through a stable institution, the Appalachian Regional Commission, and the committee believes that this procedure



will insure a wiser and more effective program of Federal investment as well as State investment in Appalachia.

### *Creative federalism*

The structure of the Commission has been designed to provide adequate representation for both the States and the Federal Government. Its membership would be as follows: representing the States would be the Governor or his designee, or the person specified by State law, of each participating State; and one Federal representative, to be known as the Federal Cochairman, who will speak for the Federal Government. Since the bill provides that it will cease to be in effect on and after July 1, 1971, the Commission could not serve as presently constituted beyond that date. The Commission will establish its own procedures, but when such procedures require a vote, the reported bill requires that an affirmative vote be cast by a majority of the State members from the participating States and an affirmative vote of the Federal Cochairman.

Some observers have objected to the voting procedures in the bill. They have stated that the requirement of an affirmative vote by the Federal Cochairman provides, in effect, that the Federal Government has a veto over State proposals. This is true, but it is equally true that a majority of the States have, in effect, a veto over the proposals of the Federal Government.

The best testimony to the merit of this Federal-State relationship is contained in the statement made by Gov. William W. Scranton when he appeared before this committee.

The Appalachian Regional Development Act embodies a unique State-Federal partnership approach which is essential for a successful operation of this program.

The bill provides that any application for an Appalachian program or project shall be approved by the State member on the Appalachian Regional Commission before it may be approved by the Commission.

It gives a tremendous responsibility to each State in developing the type of program and project that will work in its State, in approving and carrying out Appalachian projects in its State, and in helping to provide the necessary funds.

Because the States have limited financial resources, the Federal funds authorized by the bill are vital.

The State-Federal relationships embodied in the bill insure that both Federal and State funds will be applied effectively to do the job of economic development so necessary in Appalachia.

In most of the programs called for by this bill, the Federal Government will contribute well over one-half of the funds required. The Appalachian development highway system program calls for a Federal contribution of not to exceed 70 percent of the cost. The Federal Government, which will be called upon to expend substantial sums of money, should exercise a voice equal to a majority voice of the States in preparing those recommendations.

### *Program—criteria and application*

In developing the program recommendation which it will make and the priorities it will establish, the Commission is directed to give con-

sideration to pertinent factors of economic development. These include the precise relationship between the project request and overall regional development. In the development of the region the Commission should give thorough attention to those actions that will promote the most beneficial exploitation of the region's great natural resources including coal, timber, natural gas, clay, shale, and other minerals. The Commission should weigh the prosperity of the area requesting the grant against the prosperity of areas with competing grant requests. It should give thorough attention to the relative financial resources available to the States or local units which request assistance. Above all it must insure that the assistance provided will improve on a continuing, rather than temporary basis, the economic potential of the area to be served by the assistance.

The reported bill specifically prohibits any assistance under the bill from being used so as to shift plants from another part of the Nation to Appalachia or from one part of Appalachia to another, or to finance the cost of any industrial or commercial facilities (including the cost of machinery or operating capital) or to finance the cost of facilities generating, transmitting, or distributing electric energy or to finance facilities for production, transmission, and distribution of gas in any form.

The Commission will also be a clearinghouse for expert opinion which can be shared throughout the region. It will sponsor research and demonstration projects upon which it will base its recommendations. It will be authorized to recommend revisions of existing laws at all levels of Government, with the objective of expanding the development potential within the region.

The dollars requested in section 105(b) for the operation of the Commission, \$2,200,000, demonstrate clearly that the Commission will not be what some have charged, "a new giant bureaucracy." These funds will enable hiring of a relatively small staff of experts, approximately 65 people, who will undertake the planning and coordination responsibilities of a billion dollar program.

The Federal Cochairman, in order to carry out his functions of maintaining liaison and taking positions on issues coming before the Commission, is to have a small personal staff in addition to his alternate. The Federal Cochairman should not fully rely on the Commission staff in reaching his position. The Commission staff will consist of an independent group of experts producing neutral and technical information and distinct in its function and responsibilities from the Federal Cochairman's staff. The Commission staff will certainly not be as responsive to, nor give as much consideration to, the views of the Federal agencies as will the Federal Cochairman's staff. The Federal Cochairman's staff will help him evaluate the conflicting views of the States, the Commission, and the interested Federal agencies. The bill authorizes \$200,000 for the Federal Cochairman's staff.

#### TRANSPORTATION AND ACCESS

During the course of the committee hearings on the Appalachian development program, it became quickly apparent to the committee that there was a consensus within Appalachia as to the most important program for future Appalachian development. Witness after witness told the committee of the overriding importance of an adequate highway system.



That view was shared by the President's Appalachian Regional Commission. The committee quotes from its report:

The remoteness and isolation of this region lying directly adjacent to the greatest concentrations of people and wealth in the country is the very basis of the Appalachian lag.

The President's Commission's report gave the highway problem "a double priority of emphasis." It concluded its section on highways with this quote:

Its [Appalachia] penetration by an adequate transportation network is the first requisite of its full participation in industrial America.

This committee is charged with the primary legislative responsibility in the House for highway development in the United States. The evidence that has been presented to this committee over the years on the impact of highway construction on economic development is overwhelmingly conclusive. An adequate highway system in our times is a sine qua non of economic progress. For that reason the reported bill establishes the Appalachian development highway system to be built in conjunction with the regular Federal aid interstate, primary, and secondary systems. The Federal Government would contribute \$840 million from the general fund for the construction of a development highway system in Appalachia. This system would be designed to provide access to the presently almost inaccessible subregions of Appalachia. These highways, while they would ease the traffic congestion in some parts of Appalachia, will not be constructed with that particular objective in mind. They will rather be built as instruments of economic development. They will be built to generate traffic where none presently exists. They will do so because they will open up areas to development which, because of their present remoteness and isolation, cannot be developed.

Appalachia is a land of promise. Its natural resources foretell both its industrial and recreational future. Until its natural resources can be moved swiftly to their processing sites and then to their markets, they will remain an unrealized potential. Tourism, upon which a substantial part of Appalachia's future prosperity will rest, cannot be exploited until travel time both into and within the region is improved. The Appalachian development highway system will provide the means to insure that this industrial and recreational potential is realized.

The scenic highlands of Appalachia, like the region's coal and water resources, have been as much of a handicap as a blessing in the past, yet they hold great developmental promise. The Appalachian Mountain barrier has contributed to the region's underdevelopment, but it has also left scenic areas which can be developed to serve the country's great urban concentrations on the Atlantic seaboard and in the industrial centers of the Midwest and South.

The specific programs of this bill will clearly and meaningfully contribute to the future development, both by private and public enterprise, of the region's recreation resources. The development highways and access roads will for the first time make the region, and development sites therein, fully accessible to tourists and part-time residents from both within and without the region.



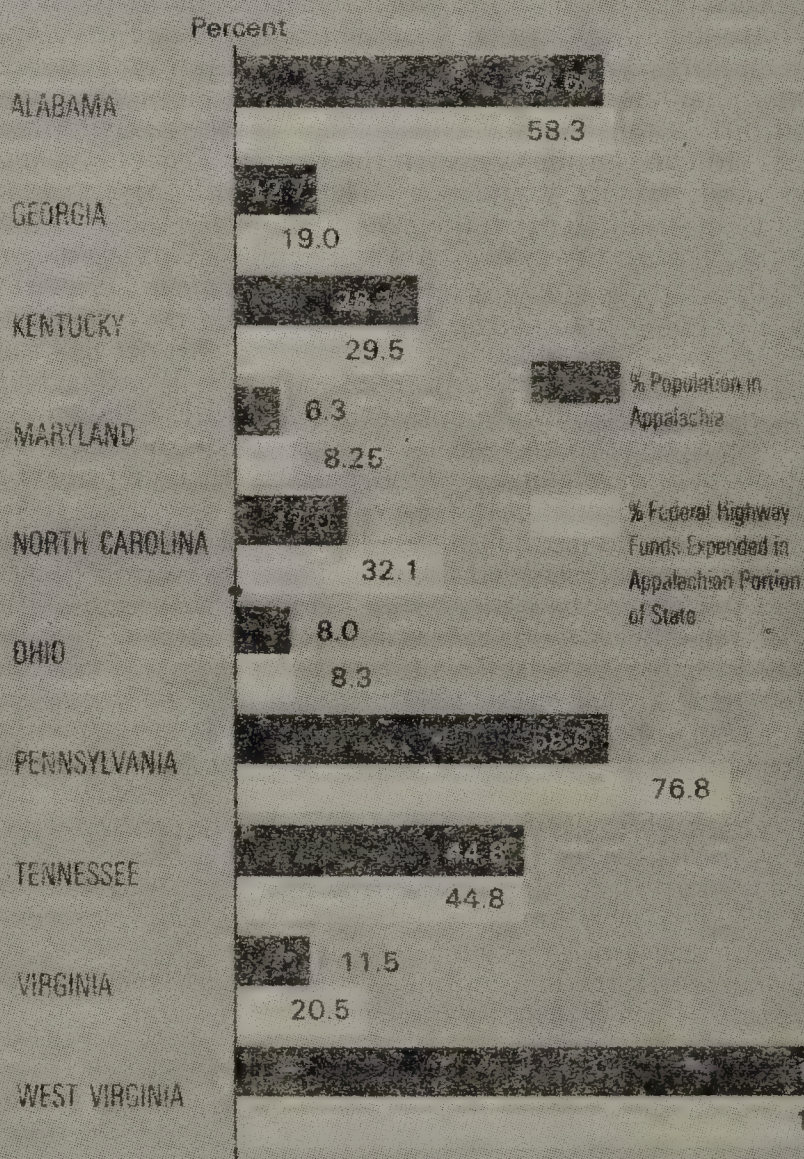
The funds for this program will be provided from the general fund. There will be no reliance upon the highway trust fund, and thus no threat is offered to that fund's fiscal integrity.

The States in Appalachia have put a disproportionate amount of their primary-aid highway funds into their Appalachian areas. Page 24 of the report of the President's Appalachian Regional Commission documents that point.

## HIGHWAY EFFORT

FIGURE 13

Proportion of Highway Funds Expended in Appalachia by States, Relative to Population of Region, January, 1960 to June, 1963



Source: Bureau of Public Roads.



In addition, under S. 3, the participating States will provide \$360 million of their own scarce funds to build the 2,350-mile development system.

#### *Local access roads*

There are sites capable of full-scale development in many sections of Appalachia, but because of the ruggedness of the terrain, major highways, such as those contemplated in the development system itself, cannot always be routed through or near these sites. Therefore, a system of short access roads is essential to full economic development of the region. The bill would authorize the construction of not more than 1,000 miles of such short access roads from the major highways to these sites.

This represents an additional 500 miles of local access roads over the amount authorized in the earlier Appalachian measure. The increase is made on the recommendation of the administration, and the committee was assured by the chairman of the Federal Development Planning Committee for Appalachia that the added mileage could be constructed within the original and unaltered budget of \$50 million which has been allocated for construction of local access roads. The committee concurs in this judgment, in the light of its knowledge of construction costs for similar type roads, and considers it a realistic estimate of the costs involved.

These roads may be built to recreational, residential, commercial, industrial, or other similar facilities or they may be used to accelerate or improve a school consolidation program. They can be used to provide access to an industrial park or to a recreation complex or to a new housing development, but there will be no use of these funds for the construction of "private driveways," as some have charged. It is the intent of the committee that the access roads should be designed wherever possible to realize further the benefit of the major development highway roads by servicing job creating activities, offering prospects of long-range employment to Appalachian workers.

#### *Procedures*

Before any State member on the Commission casts his vote on a highway proposal, he must have obtained the recommendations of the State highway department. When the Commission's plan, for each project, is submitted to the Secretary of Commerce, the Commission's role is fulfilled. The bill specifically states that thereafter the normal relationships which presently exist between the Secretary of Commerce and the State highway departments, established under title 23, United States Code, will be followed. No State is required to engage in any program under the bill, including the development highway system, until it gives consent.

Though the committee acknowledges that the primary purpose of this bill is resources development and not the creation of immediate employment opportunities, the committee urges the Secretary of Commerce, in implementing the highway and other construction programs, to promulgate regulations which will assure the maximum feasible employment of local labor.

Standards for construction of the Appalachian development highway system would be similar to those presently approved by the Bureau of Public Roads for Federal-aid primary highways. The committee

understands that, in general, the standards which the Bureau would approve for the local access roads would be those which are now in use by the States and approved by the Bureau for secondary projects. These secondary standards are variable from State to State according to local conditions and need.

The Appalachian development highway system, which will be a part of the Federal-aid primary system, as prescribed in section 201(c), will place upon the States the responsibility for maintenance the same as all other Federal-aid primary highways as prescribed in section 116 of title 23, United States Code. The States, in like manner, would, by law, have the maintenance responsibility with respect to those local access roads that are located on one of the Federal-aid highway systems. The committee understands that the States will be required by the Bureau of Public Roads to sign an agreement providing for the maintenance of any local access roads constructed under section 201 of the bill, which are not on a Federal-aid highway system. In certain cases, the State highway department may carry out this responsibility by an agreement between the State and appropriate local officials.

Section 201(d) of the bill authorizes the States to give special preference to "the use of mineral resource materials indigenous to the Appalachian region."

The committee does not intend to exclude from the application of such preferences, materials in whose production raw materials from outside the region are commingled with those of local origin.

Section 201(e) authorizes the Secretary to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 percent of the roads authorized under the act. This provision is for the purposes of research and development in the use of coal tar as binders in highway construction and maintenance work. The Secretary will have the authority to determine the extent of use of coal derivatives, for suitable purposes, on individual projects in areas where such products are economically available.

In summary, section 201 (d) and (e) contain certain guidelines for the States and the Secretary of Commerce to follow in selecting highway construction materials for the roads to be constructed under this bill. The committee intends that these guidelines should not be considered as mandatory directions to either the States or the Secretary of Commerce but should be regarded as permissive.

#### *Relation to existing highway program*

The committee bill has been criticized on the grounds that it authorizes an additional highway program for the Appalachian region almost as large as the annual program for the construction of Federal-aid primary and secondary highways. This bill authorizes, in effect, a 5-year highway program. It must be completed in accordance with section 405 of the bill which states that this act shall cease to be in effect on July 1, 1971. Excluding the leadtime necessary to initiate the program, the effective length of the program would be about 5 years. Thus, the annual highway authorization contained in this bill amounts to only one-fifth of \$840 million or \$168 million per year.

The highway program outlined in this bill augments rather than competes with the regular Federal-aid highway program. It assists



the Appalachian States in opening up traffic corridors that are relatively underdeveloped at the present time and which could not be improved to fully adequate standards throughout their length under the regular Federal-aid highway program within the foreseeable future. It augments the Interstate System in that it provides needed connections between that system and the more remote and underdeveloped areas of Appalachia. It augments the regular Federal-aid highway program in that the construction of the recommended development highway system with funds made available under the Appalachian Regional Development Act of 1965 will release regular Federal-aid highway funds for the construction and improvement of other inadequate Appalachian highways not included in the developmental system.

The committee was impressed during the hearings by the cardinal importance attached to the highway program by the Appalachian Governors who testified for their respective States. It was unanimously acknowledged that the road construction program is a primary requisite to the general economic development of the region, and each of the Governors who testified assured the committee that his State is prepared to assume its share of the matching costs.

#### OTHER FORMS OF TRANSPORTATION

The committee recognizes that the continued development of other forms of transportation will be essential to the prosperity of Appalachia. The heavy emphasis which has been placed on highways in this bill represents only the committee's view of the priority necessary to establish an adequate transportation system in Appalachia. The committee trusts that the Appalachian Regional Commission and all Federal agencies will give continuing careful consideration to the means by which a better use of other transportation facilities can be encouraged and assisted. These include the air, water, and rail facilities presently serving the region.

#### HEALTH

The hospital and medical services available to this Nation have been a major factor in the progress we have enjoyed. The Nation has given substantial public support to both services primarily because of its concern, from a humanitarian viewpoint, that the less fortunate should not go without either service. Sound health services can play as much of a role in the economic development of a region as any other instrument of development.

Without such services, no community or subregion can hope to attract modern industry. The managers of industry are understandably reluctant to ask their employees to locate in a region where their families' health may be jeopardized by inadequate hospital and medical care.

In many sections of Appalachia, this problem is particularly acute. The low income in these sections impairs a reasonable support of private medicine and the tax base necessary for even rudimentary public health facilities is nonexistent. The committee believes that a demonstration program should be established that will provide for multi-county health centers in several of the more isolated and impoverished

sections of the region. Funds for such a program are provided in section 202 of the bill.

These funds may also be used to add to or modernize the facilities of existing institutions so that they will be brought up to the standards which may be necessary for a multiple county health center.

A typical regional health center might provide space for many health activities: maternal and child health, mental health, chronic diseases, and communicable diseases. There would be diagnostic services as well as rapid screening for health defects. The center would include under one roof all personnel, records, laboratories, and conference and training facilities. Office space would be made available to encourage physicians and dentists to practice in the distressed area. Space for research personnel would be provided, and environmental health services would be programed and coordinated from the centers.

Construction grants under subsection (b) of section 202 may not exceed 80 percent of total costs, including initial equipment. Under subsection (c) of section 202, for the first 2 years of operation, grants for operation may total 100 percent. For the next 3 years grants for operating expenses may not exceed 50 percent. The committee notes that health facilities and hospitals constructed under authority of this bill are to be primarily for outpatient use and for provision of diagnostic and treatment services to residents of the area. Facilities built with funds provided under this section shall contain sufficient capacity to provide services to needy patients. The operating funds authorized in subsection (c) of section 202 shall be available to provide these services. Prior consideration in the operation of the centers shall be given to the care required by the patient, rather than to his financial ability to pay for medical services.

The committee also understands that under section 202(c), which provides for operation of these facilities, the operating costs with respect to hospitals and diagnostic and treatment centers is defined as the cost of operation of such facilities after deduction of any contributions or fees from States or local governments, private organizations, or individuals.

The funds available for operation under section 202(c) shall be available only for those hospitals which are constructed or modernized under section 202 (a) and (b). They will not be available to other hospitals presently in existence or those that will be constructed under other public or private programs.

#### LAND STABILIZATION, CONSERVATION, AND EROSION CONTROL

The hilly topography of the Appalachian region has long been a deterrent to the successful farming of row crops in any large quantity. The Appalachian terrain has also discouraged mechanization on the region's farms so necessary for profitable farming operations. Over the years the steeply sloped Appalachian farms have remained largely unproductive and have undergone severe erosion. The resulting denuded slopes have marred the scenic beauty of the land and contributed to the siltation of its streams, thus inhibiting the development of recreation.

If the land of the Appalachian region is to play a role in the improvement of the economic level of the area, the acreage which cur-



rently is submarginal must be provided with a productive vegetative cover and other treatment measures in order to check its deterioration.

Section 203 of the bill is designed to prevent further deterioration of as much as possible of the 8.6 million acres within the Appalachian region requiring improvement, under a program patterned after the Great Plains conservation program now applicable to 10 Western States. The language of this section has been changed from that of the bill as introduced to make clear the emphasis on conservation through land improvements and erosion control.

As one of our committee members said during the hearings:

I would say that this new section fully meets the objection that those of us had to the section originally contained in the bill \* \* \* [The new] section \* \* \* does not go to the business of attempting to put them in cattle operations but \* \* \* approaches a broad field of land improvement, erosion control (and), soil conservation \* \* \* So I think it is an entirely different philosophy we have in this section; and I think completely meets the objections of those of us who found the other [section] wholly unacceptable.

Section 203 embodies provisions aimed at conserving the land resources of the region. The problem in Appalachia is fundamentally one of erosion of the hillsides. Such practices as terracing, upstream tanks, flood-control ponds, and the planting of leguminous crops can be of great long-range benefit.

Section 203 authorizes the Secretary of Agriculture to enter into agreements of not more than 10 years with landowners, operators, and occupiers in providing for reclamation and conservation practices designed to control runoff and restore fertility to the farms. The Secretary may furnish technical and financial assistance in establishing these practices and grants for this purpose are authorized not to exceed 80 percent of the cost of carrying out such programs on 50 acres of land occupied by any individual farmer. This section would protect a farmer entering into such conservation practices against loss of crop acreage and allotment histories during such a period and an equal period thereafter.

The agreement would be designed to insure that the funds are utilized to improve the land under established procedures and that, for the period of the agreement, the land is adequately maintained. Its terms would seek to achieve land stabilization and erosion and sediment control through changes in land use and conservation treatment, including the establishment of practices for the conservation and development of soil, water, woodland, wildlife, and recreation resources.

In order to qualify for assistance, the landowner, or such other persons must (1) show that he has control over the use of the land proposed for improvement for the duration of the agreement and (2) supply the Secretary with a conservation and development plan.

It is the intent of the committee that no individual shall receive more than one grant under this program. The committee expects that the program will be administered so as to give prior preference ✓ to needy farmers.

The program would be administered through existing Agriculture Department services and the committee urges the Department and

the Commission to encourage full participation of State extension services and the facilities and personnel of the land-grant colleges and universities of Appalachia.

Subsection (h) of this section directs the Secretary of Agriculture, in carrying out this program, to utilize the services of the Soil Conservation Service, the services of the State and local committees of the Agriculture Stabilization and Conservation Service, and other appropriate agencies of the Department of Agriculture.

Under the terms of the bill, \$17 million are authorized for this program.

#### TIMBER

The hardwood forests of Appalachia were, at one time, counted among the Nation's most precious assets. Much of the economic growth of the late 18th and early 19th century can be attributed to the availability of Appalachian hardwood. Housing construction during that period had its primary source of supply from the Appalachian forests. The push of the railroads west was underpinned by ties made with Appalachian lumber and coal mining was literally supported by mine timbers from the region. Within the past one-half century, demand for Appalachian hardwood has declined. Much of this decline can be traced to the development of new materials which provide economical substitutes for Appalachian timber. However, a substantial part of the diminishing demand for hardwood can be traced to the declining availability of quality trees within the Appalachian region.

It is estimated that over 70 percent of the region's forest acreage is held by owners who possess 50 or less acres. Such small individual holdings make the process of improving timber quality difficult, if not impossible. These small landholders lack the technical knowledge, the equipment, the funds, and the time to manage their woodlots productively or profitably.

Section 204(a)(1) of the bill provides that forest landowners in the Appalachian region can enter into agreements to establish nonprofit timber development organizations, chartered under State law, which will permit a cooperative effort at better management.

Subsection 204(a)(2) of the bill authorizes the Secretary of Agriculture to provide up to one-half the initial capital requirements of the timber development organizations to improve timber growing, including better management, cutting, and marketing of timber, through loans under the consolidated Farmers Home Administration Act of 1961. However, it is intended that loans be granted by the Secretary of Agriculture only after plans have been submitted showing a management and program outline for the proposed TDO which has been prepared by State and private foresters and individuals, as opposed to Federal personnel.

None of the funds appropriated pursuant to this authority are to be used to construct or acquire any facilities for manufacturing, processing, or marketing finished forest products. However, such funds can be used for construction of facilities necessary to carry out the objectives of TDO, such as construction of access roads, installation of boundary markers, and the establishment of central distribution facilities for the cut timber. The funds shall not be used for the purchase of land except in the establishment of demonstration timber development organizations.



A total of \$5 million is authorized to carry out the technical assistance and capital loan provisions of the timber development program.

#### COAL LANDS RECLAMATION PROGRAM

In any real, permanent solution to the problems of Appalachia attention must be directed toward bituminous coal.

Coal is the single largest resource in Appalachia. Despite the reduction of employment in recent years, due to a combination of shrinking markets and automation of mining operations, the production and transportation of coal provides more jobs and a larger payroll than any other single industrial activity within the region.

Coal has gone through a difficult period, which has contributed materially to the present depressed economic conditions in many areas of the region. The industry was forced to mechanize to survive and the brunt of this technological revolution was the heaviest in Appalachia.

The Federal and State Governments should, as a part of the general economic development program in Appalachia, do everything in their power, consistent with a free market for fuel, to encourage the production of bituminous coal.

Past coal mining practices in Appalachia have scarred the land. Because the land was not repaired as the coal was extracted from deep coal mines and strip mines, many parts of the region are today not attractive to tourists or industry. The resources of the local governments and the States of the affected parts of the region have been by themselves inadequate to overcome these problems. Subsidence and caving of lands in cities built over coal mines causes damage to property and prevents development. Underground mine fires endanger populated areas with poisonous gases, while large burning surface piles of coal wastes pollute the air, destroy valuable lands, and complicate living. Strip mining, improperly repaired, causes erosion and contributes to stream pollution locally and many miles away from its source. Another major cause of stream and water pollution is leakage from unsealed underground mines which pours acid into the streams and underground waters of the region. To overcome and alleviate some of these problems, and to conserve and make possible better use of the land and water resources of the region, the administration has recommended and this committee accepts the need for a concerted and comprehensive program that will reclaim lands damaged by past mining practices.

Section 205 of the bill provides for modification and expansion of federally authorized programs which now make available limited funds to meet some of these problems. The Secretary of the Interior is authorized to provide for the control of mine subsidence. This authorization allows the Secretary to contract for such activity throughout Appalachia on a scope greater than that provided under existing legislation. The authorization limitation on the existing mine fire control program has been increased.

The strip mining reclamation authority contained in this bill is necessary in order that the States of the region may more effectively employ their long experience in reclaiming strip mines. The committee expects the strip mine reclamation projects to yield practical results and information which can be correlated with the study of

strip mining that the bill authorizes. The funds authorized for strip mining reclamation should be used to produce a wide variety of reclamation experiences so that if the study leads to recommendations for a full-scale strip mining reclamation program, the Congress will have accurate information on the cost and the benefits of such a program.

Strip mining reclamation projects are to be carried out only on strip mined lands owned by Federal, State, or local units of government. This provision is intended to eliminate the possibility of windfall profits to private individuals. In the administration of this section, the committee expects great care to be taken to prevent any such windfalls.

The committee expects that the benefits to be returned to the States and local communities from this program will be noteworthy. The sites improved should be available for economic development purposes, and the reclamation efforts will improve the communities where the work is undertaken.

The Federal contributions to all programs referred to in section 205(a) are established at not to exceed 75 percent of the cost thereof by the bill. Furthermore, these new authorizations will not be counted in any computation of apportionments to the States under the existing national programs.

Section 205(c) authorizes a strip mine study to be undertaken by the Secretary of the Interior in full cooperation with relevant Federal, State, and local departments and agencies and the Commission. The Secretary is to submit to the President, and the President to Congress, by July 1, 1967, detailed recommendations for a long-range comprehensive program for reclamation and rehabilitation of strip and surface mined areas in the United States and for the policy basis under which such a program should be conducted. The Secretary is also required to make an interim report to the Commission summarizing his findings with regard to those problems in the region most urgently requiring attention.

The study will consider the nature and extent of strip mining and its results; the effectiveness of State and local control of the activity including the enforcement of State legislation; the public interest and public benefits resulting from reclamation activities; the appropriate cost-sharing roles of Federal and State Government and private interests, and other relevant topics.

To finance all of these programs, the bill authorizes an expenditure of \$36,500,000 for the period ending June 30, 1967.

#### WATER RESOURCES

An abundant annual rainfall in Appalachia gives the region a water resource potential that can be found in few other areas of the country. Unfortunately, this potential has never been fully realized, and all too often water is a curse rather than a blessing in Appalachia.

With proper control and management, Appalachia's water resources can become the region's most precious natural asset, providing almost unlimited opportunities for recreational activities and incentives for industrial development. The comprehensive management of Appalachian water resources can bring an end to the frequent floods which



devastate many parts of the region and to the periods of drought which often imperil the health and the economy of its communities. Controlled water will also help alleviate the pollution of Appalachian streams, including the 4,000 miles of the region's waterways now polluted by acid drainage from coal mines.

The fullest possible development of Appalachia's water resources is essential to the economic progress which this bill is intended to stimulate and therefore stands as a key provision of the bill.

Section 206 authorizes the Secretary of the Army to conduct a thorough survey of Appalachia's water resources, in consultation with the Appalachian Regional Commission and all appropriate Federal and State agencies. This resource survey will be correlated with existing river basin studies, and it is expected that optimum use can be made of the region's water resource potential when the study is completed and the resulting plan is presented to the President and then to the Congress by December 31, 1968.

The committee has been assured that the Secretary of the Army will seek the cooperation and enlist the full participation of other Federal, State, and local agencies engaged in water resource development. Furthermore, since the Tennessee Valley Authority has specific statutory authority for the development of water and related land resources in the Tennessee Valley area of Appalachia, the committee intends that the Secretary of the Army will delegate the primary responsibility for the water resources study in that portion of Appalachia to the Tennessee Valley Authority.

The committee wishes to emphasize that the special programs and activities provided for in this bill are intended to supplement, not to replace, programs of resource development conducted in Appalachia by utilization of other statutes. In fact, if the objectives of this legislation are to be achieved, it is essential that existing programs such as TVA go forward and, where it is possible, be accelerated.

The committee also understands from testimony that the Secretary of the Army will not delay authorized study programs, or the reporting of existing studies which contain favorable recommendations, because of the new duties imposed upon them by this section. It is the committee's intention that the Secretary of the Army should give particular consideration to changes in existing cost-benefit criteria for those projects which obviously will be essential to the economic development of Appalachia. The Secretary should reevaluate these criteria in light of the substantial investments which this bill will provide for the region. The Secretary will apply such reevaluation to past recommendations on projects and to the new projects which will be considered in his survey.

To carry out the purposes of this section, \$5 million is authorized for the period ending June 30, 1967.

#### VOCATIONAL EDUCATION FACILITIES

The technological revolution taking place today in the United States has made its greatest impact in Appalachia. Since the end of World War II, technological advances in mining, heavy industry, and agriculture have contributed most of the unemployment problems which plague Appalachia today.

Of the several hundred thousand unemployed in Appalachia, most are either unskilled, semiskilled, or possess skills for which there is no longer any demand. Sufficient facilities for vocational training do not exist in the region, which is already hard pressed to finance and maintain an adequate public school system. Clearly, vocational education must be provided on a much larger scale if Appalachia is ever to overcome the debilitating effects of massive unemployment.

Because of the serious shortage of vocational school facilities in the Appalachian region, this bill provides more funds to the Appalachian portions of the 11 affected States. Section 211 therefore authorizes a Federal supplement to the Vocational Education Act of 1963 of \$16 million for the period ending June 30, 1967, for construction of school facilities within the Appalachian region.

#### SEWAGE TREATMENT

Inadequate waste treatment, through the lack of sewage treatment facilities, is a serious Appalachian problem which threatens the health of its people and discourages economic development. Section 212 of the bill therefore provides a total of \$6 million for the period ending June 30, 1967, to be made available to the Secretary of Health, Education, and Welfare for the construction of sewage treatment control facilities, under the terms of the Water Pollution Control Act, which authorizes such construction.

As this section states, these funds will be expended without regard to the national authorization ceiling or the allotment ceiling for each State contained in the Water Pollution Control Act. This bill in no way changes the specific dollar ceiling on the amount of funds that can be expended for an individual project under that act.

#### SUPPLEMENTS TO FEDERAL GRANTS-IN-AID

The lagging economy in many sections of Appalachia has severely impaired the ability of the States and local communities to raise funds needed to match Federal grants. Many Federal grant-in-aid programs are not utilized by local communities because local or State matching funds are not available.

Hospitals are not built under the Hill-Burton Act because local matching dollars cannot be obtained. Many communities in the region have no general aviation service because they cannot muster the local contribution to match Federal grants under the Federal Airport Act. Appalachia's full entitlement under the small watershed program of the Department of Agriculture is not used because local matching money is not available.

In light of this, section 214 of the bill authorizes \$90 million to aid local communities in their efforts to meet the local share of existing grant-in-aid programs. Under this authority the Secretary of Commerce is empowered, following appropriate consultation, to allocate funds—

for the sole purpose of increasing the Federal contribution \* \* \* above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law.



Total Federal participation is not to exceed 80 percent of the cost of each project. The grant-in-aid programs concerned are those relating to the acquisition of land and the construction and equipment of facilities but the supplementation provided is not to apply to the development highways and access roads authorized by section 201 of the bill, or any other highway program, or to any loan or other Federal financially assisted program, except a grant-in-aid program.

The committee intends that this special program shall be used only to supplement other Federal grant-in-aid programs for which funds are available and the section specifically so provides. It cannot be used to pick up the total Federal share of a program for which legislative authorization exists, but for which no funds have been appropriated. For example, the legislative authorization for the public facility grant program under the Area Redevelopment Act still exists but all funds authorized have been appropriated and Congress has not increased the authorization for further funds for its effective continuation. The supplemental program established by section 214 of this bill could not be used to provide a Federal contribution under that program, since its own funds have been exhausted.

#### LOCAL DEVELOPMENT DISTRICTS

One of the most impressive trends within the Appalachian region is the bootstrap effort which local communities have made to improve their own situation. In some parts of Appalachia these efforts have been undertaken by individual communities and counties operating through both public and private organizations. In other parts of Appalachia, because of the sparse population, multicounty organizations have been formed to bring greater strength to an economic development effort.

As has been stated, many of the counties and communities of Appalachia do not possess the tax base which will permit an effective local development effort. Through a combination of the tax revenues of several counties the basis can be provided for the construction and operation of development facilities.

The committee believes that this heartening trend should be encouraged. It believes that this can be done most effectively by providing grants to local development units to cover their administrative expenses. The biggest obstacle which these local units face is their inability to recruit trained professionals to guide their development efforts. This is particularly true in the more isolated and less prosperous sections of Appalachia. Section 302(a)(1) of the bill authorizes the Secretary of Commerce to make grants which shall not exceed 75 percent of total expenses, to local units solely to cover the cost of administering their development program. These grants will be available for only 3 years. The committee expects the local units, at the end of 3 years to have obtained that position wherein they can finance their own staff costs.

The Secretary will receive recommendations from the Commission as to which districts are most in need of such administrative assistance. The bill permits the Secretary to contract with the local units through the Commission, if he deems such a procedure to be desirable.

The Commission will insure that local development districts which receive such expenses are bona fide development units by obtaining certifications from the States to that effect. Section 301 of the bill provides for such a procedure and stipulates the characteristics which those districts must possess if they are to be certified.

Questions have been raised as to the expenditure of funds under section 302(a)(1). It is the committee's intention that these funds must be entirely used for areas within the region.

#### RESEARCH AND DEMONSTRATION PROJECTS

Both the President's Appalachian Regional Commission and this committee believe that many questions affecting the future of Appalachia are as yet not answered. For example, a substantial amount of research must be undertaken to determine how weak and inefficient local units of government can be provided with more effective development programs. It is obvious that what may be beneficial to one sub-region of Appalachia might be harmful to another.

No one is fully aware of the potential utilization of any Appalachian raw materials. Additional research must be undertaken to obtain that information. Tourism is not fully understood as a means of development in the region. Additional facts are necessary to provide that understanding.

Therefore, section 302(a)(2) provides that the Secretary of Commerce may make grants, either directly or through the Commission or other agencies for such research and investigation.

The bill states under this section that funds may not be used for "construction purposes." This language is designed to prevent construction of new research facilities, either public or private. It is intended to prevent construction of new laboratories or other research units. However, it is not intended to prevent construction of structures that are essential to the carrying out of a research program.

Under no circumstances shall the funds available under this section be used for the erection of any production facilities, private or public. Demonstration power production units or industrial production units are clearly prohibited from receiving assistance under this act.

Subsection 302(d) requires that information, copyrights, data, inventions, and patents arising out of scientific and technological research and developmental activities authorized by the act shall be made freely available to the public. The language is similar to that present in the Agricultural Marketing and Research Act (7 U.S.C. 427(i)) and would require the Appalachian programs to follow the same patent policies and practices as the Tennessee Valley Authority, the Department of Agriculture, and the Department of the Interior. The Tennessee Valley Authority's research and development activities, especially in fertilizer, have benefited not only the TVA region but also the entire Nation. This has also been true with the results of the Department of Agriculture's research and development activities, for example frozen orange juice, pressurized spray can and valve, stretch cotton, hog cholera vaccine, the plastic squeeze bottle, insecticides, dehydrated and frozen foods, hybrid corn, and agricultural harvesting and marketing equipment.



## FUTURE ADDITIONS TO THE REGION

Section 403 provides for the possible future participation of certain counties of the State of New York in the Appalachian program. This section does not automatically bring these counties of the State of New York into the program. It is only intended to provide the means whereby certain counties of New York, under conditions established by both the Appalachian Commission and the Governor of New York, may participate in the future.

## TERMINATION

The objective of this bill is to provide a Federal investment program that will assist Appalachia to better participate in the Nation's economic growth. The committee does not intend to create an Appalachian program in perpetuity. It anticipates that the benefits of this program will justify ending the Federal Government's special effort. For that reason, section 405 requires that this bill will not be in effect after July 1, 1971.

The close cooperation that this bill will establish between the States need not end at that date. An interstate compact can continue this cooperative State effort and Congress would certainly give thorough attention to legislation establishing such a compact at the appropriate time.

## COMMITTEE HEARINGS

The Ad Hoc Subcommittee on Appalachian Regional Development of the Committee on Public Works conducted hearings on H.R. 4 and S. 3 and related bills on February 3, 4, and 5. At that time, the committee received testimony from all of the Governors of the Appalachian States. In addition, Members of Congress and interested private citizens and organizations were heard.

The committee did not believe it necessary to duplicate last year's voluminous testimony on similar legislation. Hearings on last year's bills covered 14 days.

## COMMITTEE RECOMMENDATIONS

The committee recommends the enactment of S 3. The committee believes this program is an imaginative and prudent beginning of a long awaited and overdue effort to improve the opportunities available to the citizens of the Appalachian region. This bill has but one objective—to provide the people of Appalachia with the means by which they can reconstruct their own economy and society.

## SECTION-BY-SECTION SUMMARY OF S. 3, AS REPORTED

## TITLE I—THE APPALACHIANS REGIONAL COMMISSION

*Title I* provides for the creation and operation of a joint Federal-State commission to plan and coordinate the various special activities and undertakings involved in the development and improvement of the region.

*Section 101*

This section creates an Appalachian Regional Commission. The Commission shall consist of the Governor (or his designee) from each participating State in the Appalachian region and a Federal Cochairman appointed by the President with the advice and consent of the Senate. Commission decisions will require the affirmative vote of both a majority of the State members and of the Federal Cochairman.

The section also provides for an alternate to each member of the Commission and in the case of the Federal Cochairman and his alternate establishes their salaries.

*Sections 102 and 103*

The Commission's prime functions, contained in sections 102 and 103, include the continuing preparation of comprehensive plans and programs, and the establishment of priorities thereunder, for the economic development of the region; the conduct and sponsorship of research and studies relevant to regional development, the encouragement of the formation of local development districts; the provision of a focal point and coordinating unit for Appalachian programs and Appalachian interests; and the provision of a forum where the States, the citizens, and the Federal Government can come together to discuss and influence Appalachian policy. The Commission is empowered to make recommendations to the President, State Governors, and appropriate local officials concerning the expenditure of public funds and to suggest legislative and administrative actions which the Commission considers necessary to further the development of the region.

*Section 104*

This section requires the President to provide liaison between the United States and the Commission and a coordinated review of Commission plans and recommendations.

*Section 105*

For the period ending on June 30 of the second full fiscal year after the date this bill is enacted, the Federal Government shall pay the administrative expenses of the Commission which are estimated at about \$2.2 million for these years; thereafter such expenses shall be shared equally by the Federal Government and the States. The Commission will determine each State's share of the administrative expenses and the Federal Cochairman is excluded from participation in that determination. No assistance is to be provided any State nor can it participate in Commission determinations while it is delinquent in paying its share of these expenses.

*Section 106*

This section provides the Commission with the standard powers of administration, including the authorization to (1) establish procedures to conduct its own business; (2) employ a staff; (3) request assistance from Federal agencies; (4) arrange for services from State and local units; (5) make arrangements for appropriate employee benefit programs; (6) accept gifts, donations, etc.; (7) enter into necessary contracts; (8) maintain a temporary office and eventually establish a permanent office and other field offices; and (9) take other necessary actions.



*Section 107*

Provides the Commission with the normal powers essential to obtaining information.

*Section 108*

Prohibits any conflict of interest in the conduct of Commission business.

## TITLE II—SPECIAL APPALACHIAN PROGRAMS

*Title II* deals with special Federal programs to assist in the economic development of the region. *Part A* authorizes four entirely new programs. *Part B* modifies and authorizes supplementation of, certain existing programs so as to increase their impact and effectiveness in the region. *Part C* contains important general provisions.

## PART A—NEW PROGRAMS

*Section 201*

A system of development highways and local access roads shall be built to provide satisfactory transportation to isolated areas in the Appalachian region. Existing roads will be upgraded and new sections constructed which will open up an area or areas with a developmental potential where commerce and communications have been inhibited by lack of adequate access. The Commission is to recommend the location of the highways and roads; before voting on any highway plans, the Commission members shall consult with their State highway commission. The procedures of the Federal-aid primary highway program, as contained in title 23, United States Code, shall be used in constructing the system unless the Secretary affirmatively waives any specific provision as inconsistent with the provisions of this act. Federal assistance to any construction project is not to exceed 70 percent of the project cost. The total authorized to be appropriated by the Federal Government for the program will be \$840 million.

*Section 202*

To counteract a serious shortage of adequate medical facilities and to demonstrate the value of adequate health facilities to the economic development of the region, the Secretary of HEW may make grants for the construction and operation of multicounty demonstration health facilities including hospitals, and diagnostic and treatment centers. Grants for construction shall not exceed 80 percent of project cost nor total more than \$41 million. Such construction grants shall be made in accordance with both the applicable provisions of the Hill-Burton Act, as amended, and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963. Federal grants for operations may cover up to 100 percent of costs for the first 2 years of operation and up to 50 percent for the following 3 years of operation. The authorization for operations is \$28 million.

*Section 203*

To promote conservation and efficient use of the region's important land and water resources, and to provide a more stable agricultural base for the regional economy, marginal farmland shall be improved and protected from erosion. Grants to any landowner in the region will not exceed 80 percent of the costs of improving not more than 50

acres of land owned by such landowner. In carrying out this section, the Secretary of Agriculture shall use the services of the Soil Conservation Service and the State and local committees established under the Soil Conservation and Domestic Allotment Act. He is also authorized to use the Commodity Credit Corporation in carrying out this section; \$17 million is authorized for cost sharing.

#### *Section 204*

To enable the Appalachian region to more fully benefit from the timber (80 percent hardwood), which is one of its prime assets, the Secretary of Agriculture is authorized to provide technical assistance in the organization and operation, under State law, of private non-profit timber development organizations organized by local interests. These organizations may provide improved timber productivity through (a) continuity of management, cutting practices, and marketing; (b) consolidation of small holdings; (c) management of timberlands donated for demonstrations of good forest management; and (d) establishment through donations of a permanent fund to carry out the educational works of the organization. Up to \$5 million in Federal Government loans, but not to exceed 50 percent of their initial capital requirements, is authorized for these organizations to be used only for better management, cutting, and marketing of timber. At least another \$5 million will be provided by the local operators. The Federal loans will be administered under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961.

#### *Section 205*

In this section the Secretary of the Interior is given broadened authority to (a) seal and fill in voids in abandoned coal mines, (b) reclaim and rehabilitate strip- and surface-mine areas, (c) execute projects for extinguishing underground and outcrop mine fires in the region, and (d) expand and accelerate the restoration of fish and wildlife habitat destroyed by strip mines and stream pollution from mine drainage. This section also provides that no moneys authorized by this act shall be expended for the purposes of reclaiming, improving, grading, seeding or reforestation of strip-mined areas except on lands owned by Federal, State or local bodies of government. The section authorizes the Secretary of the Interior, in cooperation with the Commission, to carry out a comprehensive strip mine study by July 1, 1967. The Federal share of mining area restoration projects is increased for this program to cover up to 75 percent of the total project costs; \$36.5 million in Federal outlay is authorized for this part of the program.

#### *Section 206*

The Secretary of the Army is authorized to prepare a program for the development of the water resources of the region. This program is to be prepared in cooperation with the appropriate Federal agencies and the Commission.

The resource survey will be correlated with existing river basins studies and it is hoped that optimum use can be made of the region's water resource potential when the study is completed. The sum of \$5 million is authorized to carry on this work.



## SUPPLEMENTATIONS AND MODIFICATIONS OF EXISTING PROGRAMS

*Section 211*

A Federal supplement of \$16 million is authorized in addition to the funds provided by the recently enacted Vocational Education Act because of the great shortage of vocational school facilities in the Appalachian region. Funds will be made available solely for construction and under the same terms contained in that act.

*Section 212*

One of the major problems of Appalachia is inadequate sewage treatment which is a deterrent to both sound health and economic development. In addition to the appropriations made in the Federal Water Pollution Control Act, \$6 million in Federal funds is authorized by this section. These funds will be made available through the Secretary of Health, Education, and Welfare under the terms contained in that act.

*Section 213*

This section amends section 701 of the Housing Act of 1954 so as to make the Appalachian Regional Commission an eligible agency to receive comprehensive planning grants under that act. This is done to allow the Housing and Home Finance Agency to take advantage of the research capabilities of the Commission. The States are also made eligible to receive Federal grants under that act of up to 75 percent of their cost of planning for these regional programs. Contracts will be made with the Commission on the same terms as the law now authorizes. All funds for this section will come from HHFA's budget.

*Section 214*

In order to allow Appalachian communities to take maximum advantage of Federal grant-in-aid programs for which they are eligible but for which they cannot supply the matching funds, a special fund of \$90 million is authorized by this section. The Secretary of Commerce, acting on the recommendations of the Commission, shall use this fund to increase the Federal contribution to grant-in-aid programs above the fixed maximum portion authorized by the applicable law, in order to decrease the local share.

The Federal portion may not be increased above 80 percent of the cost. The programs referred to include those authorized by this act and other existing grant-in-aid programs which assist in the acquisition of land and the construction and equipment of public facilities. The Secretary may not supplement grant-in-aid programs providing funds for operations, but only land acquisition, construction, and equipment programs.

## PART C—GENERAL PROVISIONS

*Section 221*

No State or political subdivision thereof may receive benefits under this bill if the total expenditures of State funds, exclusive of local expenditures, for the portion of the State located in the Appalachian region falls below the average level of such expenditures for the last 2 full fiscal years preceding the date of enactment of this act. A State's expenditures for the Interstate System shall not be included.

Further, if there is a substantial population decrease in the region which does not justify a continued expenditure or if the expenditure is now disproportionate to needs of the region, a lesser requirement may be imposed by the President.

#### *Section 222*

This section insures that no State will be required to engage in or accept any program without its consent. The consent of a State to a program for which assistance is provided under this act will be given by that State in the same manner in which the State consents to receive assistance under the basic statute authorizing that assistance.

#### *Section 223*

To more clearly delineate the role of the Commission in the program planning process this section provides that no programs or projects authorized by this act shall be implemented until the Commission has submitted the program and project plans to the President or such officer or officers as he may designate, and they have either approved or modified the plans. The Commission must have consulted with appropriate State officials concerned with the programs and projects involved and obtained their recommendations.

#### *Section 224*

In order to establish the intent of the Congress, specific criteria are set forth in this section which the Commission is to consider in making program and project recommendations. These criteria include: the relationship of the project to overall economic development, including its location in an area determined by the State to have a significant potential for growth; the population and area that the project or class of project serves, including the unemployment rate and per capita income of the people of the area; the financial resources available to the State and political subdivision thereof which are undertaking the project; the importance of the project in relation to other projects seeking aid; the prospects that the project will make a long-range contribution to the economic growth of the region. There is also a specific requirement that the funds not be used to finance the cost of commercial facilities, industrial facilities, machinery, or working capital, or other industrial facilities or to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors or the generation, production, transmission, or distribution of gas or electricity.

### TITLE III—ADMINISTRATION

#### *Section 301*

This section sets forth a definition of those local units to which the Commission will extend assistance through the appropriate State governments. The State government will certify local development districts. Such local development districts shall be nonprofit organizations certified by their States as units having the responsibility for the economic development of counties, parts of counties, or other political subdivisions within the region.

#### *Section 302*

The Secretary of Commerce is authorized to make grants either directly or through appropriate public or private organizations (in-



cluding the Commission) to provide funds for investigation, research, studies, and demonstration projects to further the purposes of this act. No funds can be provided for construction purposes under this section. The Secretary is also authorized to either directly or through arrangements with the Commission make grants for the administrative expenses of local development districts of up to 75 percent of their expenses. Such grants shall not be made to any one district for a period in excess of 3 years. Local shares may be paid in cash or in kind; \$5.5 million is provided to carry out this section.

The expenditure of funds under authority of this act is to be conditioned upon information, copyrights, uses, processes, patents, and other developments resulting therefrom being made freely available to the general public.

#### *Section 303*

The procedures and responsibilities for processing and evaluating applications for program and project grants are defined in this section. Such applications must be made only by a State, a political subdivision of a State, or a local development district through the State member of the Commission, who shall evaluate such application. Only those applications for programs and projects which are approved by a State member as meeting the requirements of the act shall receive Commission approval.

#### *Section 304*

The Commission is herein directed to prepare an annual report on its activities within 6 months of the close of the Federal fiscal year for presentation to the Governor of each State in the region and to the President for transmittal to the Congress.

### TITLE IV—APPROPRIATIONS AND MISCELLANEOUS PROVISIONS

#### *Section 401*

This section provides an authorization of \$252,400,000 in addition to the funds authorized in section 201 for the Appalachian development highway system and for local access roads, to be appropriated for the period ending on June 30, 1967.

#### *Section 402*

This section provides that the construction projects assisted by this act will be covered by standard Davis-Bacon (local prevailing wage) provisions.

#### *Section 403*

This section designates those counties including political subdivisions contained within those counties in the Appalachian region which are eligible for assistance under this act.

Provision is also made for a possible inclusion of New York counties, after a joint study by the Commission and the Governor of New York.

#### *Section 404*

This is the usual clause used to protect other sections of a bill in case one section is held to be invalid.

#### *Section 405*

This provides that the act will cease to be in effect on and after July 1, 1971.

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman) :

## SECTION 701 (a) AND (b) OF THE HOUSING ACT OF 1954

## URBAN PLANNING

SEC. 701. (a) In order to assist State and local governments in solving planning problems resulting from the increasing concentration of population in metropolitan and other urban areas, including smaller communities; to facilitate comprehensive planning for urban development, including coordinated transportation systems, on a continuing basis by such governments; and to encourage such governments to establish and improve planning staffs, the Administrator is authorized to make planning grants to—

(1) State planning agencies, or (in States where no such planning agency exists) to agencies or instrumentalities of State government designated by the Governor of the State and acceptable to the Administrator as capable of carrying out the planning functions contemplated by this section, for the provision of planning assistance to (A) cities and other municipalities having a population of less than 50,000 according to the latest decennial census, and counties without regard to population: *Provided*, That grants shall be made under this paragraph for planning assistance to counties having a population of 50,000 or more, according to the latest decennial census, which are within metropolitan areas, only if (i) the Administrator finds that planning and plans for such county will be coordinated with the program of comprehensive planning, if any, which is being carried out for the metropolitan area of which the county is a part, and (ii) the aggregate amount of the grants made subject to this proviso does not exceed 15 per centum of the aggregate amount appropriated, after the date of enactment of the Housing Act of 1964, for the purposes of this section, (B) any group of adjacent communities, either incorporated or unincorporated, having a total population of less than 50,000 according to the latest decennial census and having common or related urban planning problems, (C) cities, other municipalities, and counties, referred to in paragraph (3) of this subsection and areas referred to in paragraph (4) of this subsection, and (D) Indian reservations;

(2) official State, metropolitan, and regional planning agencies, or other agencies and instrumentalities designated by the Governor (or Governors in the case of interstate planning) and acceptable to the Administrator, empowered under State or local laws or interstate compact to perform metropolitan or regional planning;

(3) cities, other municipalities, and counties which (A) are situated in areas designated by the Secretary of Commerce under



section 5 of the Area Redevelopment Act as redevelopment areas or (B) have suffered substantial damage as a result of a catastrophe which the President, pursuant to section 2(a) of "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes" has determined to be a major disaster;

(4) to official governmental planning agencies for areas where rapid urbanization has resulted or is expected to result from the establishment or rapid and substantial expansion of a Federal installation;

(5) State planning agencies for State and interstate comprehensive planning (as defined in subsection (d)) and for research and coordination activity related thereto;

(6) metropolitan and regional planning agencies, with the approval of the State planning agency or (in States where no such planning agency exists) of the Governor of the State, for the provision of planning assistance within the metropolitan area or region to cities, other municipalities, counties, groups of adjacent communities, or Indian reservations described in clauses (A), (B), (C), and (D) of paragraph (1) of this subsection;

(7) to official governmental planning agencies for any area where there has occurred a substantial reduction in employment opportunities as the result of (A) the closing (in whole or in part) of a Federal installation, or (B) a decline in the volume of Government orders for the procurement of articles or materials produced or manufactured in such area; [and]

(8) tribal planning councils or other tribal bodies designated by the Secretary of the Interior for planning for an Indian reservation to which no State planning agency or other agency or instrumentality is empowered to provide planning assistance under clause (D) of paragraph (1) above[.]; and

(9) *the Appalachian Regional Commission, established by the Appalachian Regional Development Act of 1965, for comprehensive planning for the Appalachian region as defined by section 403 of such Act.*

Planning assisted under this section shall, to the maximum extent feasible, cover entire urban areas having common or related urban development problems. The Administrator shall encourage cooperation in preparing and carrying out plans among all interested municipalities, political subdivisions, public agencies, and other parties in order to achieve coordinated development of entire areas. To the maximum extent feasible, pertinent plans and studies already made for areas shall be utilized so as to avoid unnecessary repetition of effort and expense. Planning which may be assisted under this section includes the preparation of comprehensive urban transportation surveys, studies, and plans to aid in solving problems of traffic congestion, facilitating the circulation of people and goods in metropolitan and other urban areas and reducing transportation needs. Funds available under this section shall be in addition to and may be used jointly with funds available for planning surveys and investigations under other federally aided programs, and nothing contained in this section shall be construed as affecting the authority of the Secretary of Commerce under section 307 of title 23, United States Code.

(b) A grant made under this section shall not exceed two-thirds of the estimated cost of the work for which the grant is made: *Provided*, That such a grant may be in an amount not exceeding three-fourths of such estimated cost to an official governmental planning agency for an area described in subsection (a) (7), or for planning being carried out for a city, other municipality, county, group of adjacent communities, or Indian reservation in an area designated by the Secretary of Commerce as a redevelopment area under section 5 of the Area Redevelopment Act, *to States participating in planning for Appalachian regional programs, for expenses incurred in the course of such planning, or to the Appalachian Regional Commission*. All grants made under this section shall be subject to terms and conditions prescribed by the Administrator. No portion of any grant made under this section shall be used for the preparation of plans for specific public works. The Administrator is authorized, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended, to make advances or progress payments on account of any planning grant made under this section. There is hereby authorized to be appropriated not exceeding \$105,000,000 to carry out the purposes of this section, and any amounts so appropriated shall remain available until expended.



## MINORITY VIEWS ON S. 3

With much fanfare and obviously with an eye to the political benefits to be derived, President Lyndon B. Johnson, on April 28, 1964, sent to the Congress requested legislation for development of the Appalachian region. The President focused the spotlight of public attention upon the "deprivation" of our allegedly less fortunate neighbors in Appalachia, often to their great embarrassment, and proposed a poorly drafted and highly discriminatory plan for their assistance by the Federal Government. Any proposal to alleviate poverty can have great emotional appeal and political value. No one is in favor of poverty, the same as no one is in favor of sin or against motherhood. We fully support the objective of alleviating social, educational, and economic poverty wherever it exists throughout the entire Nation, but, we strongly oppose enactment of S. 3 for the following reasons:

1. It would provide preferential treatment for one region of the United States and thereby discriminate against other areas of the Nation which have equal or greater poverty, unemployment, and lack of economic development.

2. There are no standards, based upon need, for determination of the eligibility of areas within Appalachia for Federal grants-in-aid provided in the bill, and there is no justification for all of the named 360 counties to receive Federal grants under all of the programs, for many of the counties are quite prosperous, and 76 counties do not qualify as redevelopment areas or areas of substantial unemployment for Federal grants or loans under the Area Redevelopment Act or the Public Works Acceleration Act.

3. A basic premise of the President's proposal—that family income of less than \$3,000 annually constitutes poverty—is extremely questionable since it ignores many factors other than cash income, including price indexes, homeownership, home food production, etc.

4. The Congress is being asked by the President to enact far-reaching legislation on the basis of 1960 statistics and data purporting to show conditions of economic "deprivation," in the face of more up-to-date information that improvements have been made and many corrective actions undertaken in Appalachia since 1960.

5. Several programs contained in the bill, including one for 100 percent federally financed socialized medical care, are under the jurisdiction of other committees of the House of Representatives, and the bill was reported without benefit of its consideration by such other committees and without their advice and recommendations being obtained by the Committee on Public Works.

6. The Appalachian Regional Commission will be federally dominated through control exercised by the Federal representative, and the Commission in turn will dominate the entire program, with State and local officials being placed in a completely subservient position if they wish to get programs and projects approved.

7. The highway program contained in the bill—which comprises almost 77 percent of the money authorization of the bill—is particularly discriminatory against other portions of the country, for it authorizes an additional highway program for the Appalachian region almost as large as the annual program for construction of Federal-aid primary and secondary highways and their urban extensions in all of the 50 States, plus Puerto Rico and the District of Columbia, including Appalachia.

8. The provisions of the bill relative to the special highway program for Appalachia are vague, poorly conceived, and otherwise objectionable.

9. It is inconceivable that 80-percent grants should be made ostensibly for the control and prevention of erosion and sediment damages and the promotion and conservation of the soil and water resources of the region, which would increase cropland and pastureland production, and promote uneconomic farm units, at a time when there is an overproduction of beef and crops in the country and when the Government is paying farmers to take other and more productive land out of production.

10. Direction to the Secretary of the Army to prepare a comprehensive plan for the development and utilization of water and related resources of the Appalachian region and authorizing the inclusion therein of hydroelectric power generation and other measures to increase the production of economic goods and services can result in the ultimate creation and Federal financing through the U.S. Army Corps of Engineers of steam and hydroelectric power generation and transmission facilities and the processing or manufacture of products incidental to the development and utilization of water and related resources, similar to the Tennessee Valley Authority, throughout all of the Appalachian region, and would overlap TVA since approximately half of the TVA area is included in the Appalachian region.

11. The discredited and ineffectual Public Works Acceleration Act program would in effect be reenacted for Appalachia by the back-door method of increasing to 80 percent the Federal share of the costs of projects for which Federal grants-in-aid are provided for the construction or equipment of facilities under the provisions of this bill or any other existing Federal grant-in-aid program, except for the construction of highways, if funds are available therefor under the act authorizing such program.

#### PREFERENTIAL TREATMENT FOR APPALACHIA

A Federal program to benefit all of the citizens of the United States is one thing. A Federal program to benefit some or all of the citizens of one selected area or of a few selected States simply because of their place of residence is an entirely different thing.

S. 3 would provide for a massive Federal spending program (\$1,092,200,000 to start) for an area designated "Appalachia"—an area comprising 360 counties in 11 States. How the boundaries of Appalachia were determined is open to speculation. A spokesman, who testified last year for the Governor of Virginia conceded that most of the Virginia counties in Appalachia are not economically depressed, and he commented that the prosperous counties were included "be-



cause somewhere 2 or 3 years ago some individual drew a line on the the map at foot of the mountains."

Regardless of how the boundaries of Appalachia were determined, the fact remains that S. 3 would establish a new special Federal program for one comparatively small part of the Nation to the exclusion of all other equally deserving areas.

This preferential treatment is "justified," according to the supporters of the bill, by statistics which purport to show that Appalachia lags behind national averages in several categories. But Appalachia is not the only area which is below national averages. The Ozark Mountain region, the upper Great Lakes iron ore region, several of the Southern States, areas in the West and the Northeast, and other areas can demonstrate below average conditions, in terms of low capita income, low-family income, high unemployment rates, or other categories. According to the December 1964 edition of "Area Labor Market Trends," published by the U.S. Department of Labor, there are 620 areas in the United States having substantial unemployment, and 502 of these are areas having substantial and persistent unemployment.

Whether below national averages are indicia of economic distress is a matter open to debate. But, conceding that they are for the purpose of discussing the matter, the question remains as to why one below average area should be given preference over other below average areas.

We believe that the special Appalachian Federal-aid proposal discriminates against every other area in the United States which has unemployment rates, income rates, and other conditions comparable to or worse than those in Appalachia.

#### NO STANDARDS FOR ELIGIBLE AREAS

President Johnson's original proposal, introduced as H.R. 11065 in the 88th Congress, included in the Appalachian region 340 counties in 10 States. More than 5 weeks after hearings had been completed on that bill last year, the administration submitted a new bill to the committee, introduced as H.R. 11946, which added 15 new counties and one new State, South Carolina. This year, the Senate added 5 additional counties in 2 States, for a total of 360 counties, and authorized the Appalachian Regional Commission, after making a study, to invite still another State, New York, to include 13 new counties in the "region."

Many of these 360 counties are quite prosperous and have no poverty problems requiring assistance from the Federal Government. For example, Mr. Joseph G. Hamrick, executive assistant to the Governor of Virginia and director of industrial development and planning for the Commonwealth of Virginia, testifying last year in behalf of Gov. Albertis S. Harrison, Jr., stated, with justifiable pride, that Virginia has the lowest total percent of unemployment in the Nation, equaled only by the District of Columbia and Hawaii. He further said that of the 21 Virginia counties included in the bill, only 6, or maybe 7, in the extreme southwestern part of Virginia need any help, and that some of the remaining 14 or 15 counties are very prosperous, rather than depressed. The most prosperous county in South Carolina,

Spartanburg County, is included, as well as the most prosperous county in Alabama, Madison County.

Gov. Frank G. Clement, of the State of Tennessee, emphasized in his testimony last year that not all of the designated Tennessee portion of Appalachia is depressed, but, on the contrary, that within the region are some of the State's more prosperous industrial complexes, such as the Kingsport-Johnson City-Bristol area, the Morristown-Greenville area, and the Knoxville-Alcoa-Oak Ridge area, to mention several.

Of the 360 counties included in S. 3, 50 have never been eligible for financial assistance under the Area Redevelopment Act or the Public Works Acceleration Act, and 26 others, though once eligible under one or both of these acts, are not now eligible. Thus, 76 counties, or 21 percent of the Appalachian region, cannot be classified as redevelopment areas or areas of substantial unemployment under these acts which were designed to stimulate the economy and reduce unemployment in such areas.

It is inconceivable that prosperous areas should be designated as parts of the Appalachian region to benefit from all of the Federal grant-in-aid programs provided in this bill. Obviously there is no need for such special Federal help in these areas, and none should be provided. If the money is to be spent, there are many areas in other parts of the Nation which have far greater need and justification for it.

Questioning of many administration witnesses, during the hearings this year and last year, failed to discover any standards used by the administration in selecting the counties to receive Federal aid under this legislation, and, of course, the bill itself sets forth no standards. The stock answer was that inclusion of all of the named counties is necessary to carry out the concept of regional development. It may be desirable to include prosperous counties, along with depressed and labor surplus counties, for the construction of highways, to the extent necessary to connect all such areas by a highway network, but there is no justification whatsoever for the inclusion of prosperous counties for any of the other Federal grant-in-aid programs in the bill.

It appears that President Johnson's selection of the 340 counties he first designated to receive Federal aid involved nothing more profound than drawing a line on a map at the foot of the mountains to indicate the boundaries of Appalachia. The utter disregard of need in designating areas to be assisted was further evidenced by the last-minute addition of 15 new counties by the administration last year, including 6 counties in South Carolina, which State had never before been included in Appalachia, not even by the President's Appalachian Regional Commission. Therefore, 8 of these 15 counties, including 5 of the 6 in South Carolina, are not eligible for Federal financial assistance under the Area Redevelopment Act or the Public Works Acceleration Act. Also, of the 5 counties added by the Senate, this year, 4 are ineligible and 10 of the 13 New York counties, which may be included in the region, are ineligible.

It is abundantly clear that standards should be established for the determination of eligible areas for Federal grants-in-aid under this bill. Otherwise, vast sums of tax dollars will be spent needlessly in areas that have no special poverty problems. The necessity for such standards is quite obvious when we consider the 6-year duration of this program. The economic and unemployment situation in specific



areas of Appalachia may change materially during the life of this program and standards should be established as the basis for the removal of eligibility of areas that do not need assistance and for the inclusion of designated areas which would not now be eligible under such standards but which might become so before the end of the program.

#### UNREALISTIC DEFINITION OF "POVERTY"

The administration takes the position that a family income of less than \$3,000 annually is the dividing line between poverty and the ability to enjoy the affluence of American life. This is an example of the gross oversimplification which characterizes the proposed special legislation for the Appalachian region.

A family income of less than \$3,000 annually may well be at the poverty level for a large family living in an expensive urban area. It may represent a comparatively comfortable situation for a small family living in a low-cost rural or semirural area.

Many factors, in addition to cash income, must be considered in determining the economic status of a family or individual. Some of these factors are price indexes in the area, ownership of homes and other real estate, home production of food, standards of living in the community, et cetera. None of these were given adequate, if any, consideration in the proposal for special Federal relief for Appalachia.

If the bare dollar amount of \$3,000 annual income is to be the basic measure of poverty, then the Congress should reevaluate the family retirement benefits under the Federal social security program which are, approximately, one-half this amount. Also, Defense Department figures indicate that 1,049,248 members of the U.S. Armed Forces had less than a \$3,000 annual income, including all allowances for food, clothing, and shelter, plus a value of Federal income-tax exemptions. Is this Government-sponsored-and-financed poverty?

In any event, according to the 1960 census, 229 of the 360 counties in Appalachia were above \$3,000 in median family income.

#### RECENT IMPROVEMENTS IN APPALACHIA—U.S. 1960 STATISTICS

The report by the President's Appalachian Regional Commission sets forth a number of selected statistics which purport to show that the Appalachian region is lagging and is in need of special assistance. But it is questionable whether these statistics give an accurate picture of the situation. Although the report was submitted to the Congress in the spring of 1964, it uses, almost entirely, statistics for 1960 and earlier years. Later statistics are available but were not used. Second, the report compares Appalachia to national averages—which are influenced by the most prosperous areas—instead of comparing Appalachia to other economically depressed areas; such as, the Ozark mountain region, the upper Great Lakes iron ore region, and other parts of the Nation. Third, the statistics are largely in terms of dollars and percentages, and do not consider other important factors; such as, cost of living, property ownership, savings, credit, et cetera.

Before the Congress enacts a special Appalachian development bill, it must satisfy itself that: the region is in urgent need of such special Federal assistance; that such need is more serious than that of other economically depressed areas; and that the States involved cannot

handle the problems through their own financial resources and regular Federal-aid programs. The following items concerning the States having areas in Appalachia are pertinent in this connection:

### *Virginia*

At public hearings, held by the ad hoc subcommittee last year, a spokesman for the Governor of Virginia stated that, while 21 Virginia counties are in Appalachia, as defined in the President's proposal, some of these are very prosperous and only 6 or 7 counties in extreme southwestern Virginia are in need of help. He commented that the 21 counties were included in Appalachia "because somewhere, 2 or 3 years ago, some individual simply drew a line on the map at the foot of the mountains." The prepared statement of the Governor, read at the hearings, contained the following statements:

I am very conscious of the fact that, with the exception of a few counties in southwest Virginia, the need for assistance and aid, contemplated by this bill, is not imperative in Virginia.

\* \* \* There is little that this bill envisions that is not already being undertaken by existing agencies of the Commonwealth of Virginia.

### *Maryland*

Only 3 of Maryland's 24 counties are in Appalachia, as defined in the President's relief proposal. These counties include just 6.3 percent of the State's population. In 1963, per capita personal income in Maryland was higher than in 39 other States, and substantially above the national average, and the percentage of Maryland families having an annual income of more than \$10,000 is substantially higher than the national average. The State completed the fiscal year ending June 30, 1963, with a surplus of about \$32 million and the fiscal year ending June 30, 1964, with a surplus of some \$31 million. As a result, the State repealed an income tax increase enacted last year.

In view of these facts, it is in order to inquire as to why Maryland cannot or will not meet the problems of its portion of Appalachia through its own resources and existing Federal-aid programs.

As to utilization of existing Federal-aid programs, there is evidence that Maryland is lagging badly, at least as regards the Federal-aid highway program. As of December 31, 1964, Maryland was next to the bottom of the list of States of the Union in terms of obligating Federal-aid funds apportioned for the National System of Interstate and Defense Highways. As of the same date, only Delaware and the District of Columbia ranked lower in terms of obligating Federal-aid funds apportioned for the primary and secondary highway systems. This raises the very basic question of whether extending an additional, special Federal-aid highway program to the Appalachian portion of Maryland—as would be done under the President's relief proposal—can be justified.

### *Tennessee*

Forty-nine of the ninety-five counties of Tennessee are in the Appalachian region described in the President's proposal. All of these 49 counties are within the power service area of the Tennessee



Valley Authority, which is reputed to have accomplished so much in improving the economy of the region. In a statement presented to the ad hoc subcommittee last year, the Governor of Tennessee said:

I would like to emphasize from the beginning that, while we are here considering the Appalachian region as a whole, not all of the region as such should be considered in a depressed condition. To the contrary, within the region lie some of our most prosperous industrial complexes. In Tennessee's portion of Appalachia, for example, the Kingsport-Johnson City-Bristol area, the Morristown-Greenville area, and the Knoxville-Alcoa-Oak Ridge areas, to mention several, serve as the large economic nucleus around which most of our industry exists.

### *West Virginia*

This State is the only one totally included in Appalachia. In a statement presented to the ad hoc subcommittee last year, the Governor of West Virginia said:

This period [1961-64] has been one of great economic recovery for the State, with a new peak of cooperation reached between the people and all levels of government. Just look at these facts:

Unemployment, which stood at 105,000 in January 1961, has been gradually cut down to less than 60,000 early in 1964. We have beautified and cleaned up the State to make it more attractive to new industry and tourists—and many new plants and a great increase in the tourist trade are the results. We were the first State to institute a State work-and-training program—providing both the dignity of the individual and means of earning a living—to thousands of unemployed fathers, and this program has been so effective it is being recommended as a model to other States.

The Governor's reference to "many new plants" is confirmed by statistics concerning building contracts. The value of private building contracts for industrial plants in West Virginia, awarded during 1962, was \$119,500,000—about 4.7 percent of the U.S. total of such contracts. This is significant in view of the fact that the population of West Virginia is only about 1 percent of that of the United States.

Neither this extensive industrial construction nor what the Governor of West Virginia referred to as a period of "great economic recovery," during 1961-64, is reflected in the report of the President's Appalachian Regional Commission since, as noted above, the statistics quoted in that report are almost entirely for 1960.

### *Pennsylvania*

In 1963, the per capita personal income in Pennsylvania was about the same as the national average and was higher than such income in the Southeast, Southwest, Plains, and Rocky Mountain regions of the United States. The percentage of families having an annual income of less than \$3,000 has been well below the national average, both in the State as a whole and in the Appalachian portion of Pennsylvania. It is interesting to note that, as of February 10, 1965,

Federal grants totaling \$58,988,000 had been extended to the Appalachian portion of Pennsylvania under the Accelerated Public Works Act.

### *Alabama*

Nearly half of the 33 counties in Appalachian Alabama are in the Tennessee Valley Authority region. Of these 33 counties, 6 have never had sufficiently high unemployment rates to be eligible for Federal grants under the Accelerated Public Works Act, including Madison County, which is the most prosperous county in the State, and 3 additional counties were once eligible, but have so improved as to be eligible no longer. Thus, nine counties, or approximately one-fourth of the Appalachian counties, are now ineligible for such assistance. Despite this, as of February 10, 1965, Federal grants totaling \$20,827,000 had been extended to the Appalachian portion of Alabama under the Accelerated Public Works Act.

Furthermore, the report of the President's Appalachian Commission does not reflect the economic impact of recent developments in the area, since it utilizes 1960 statistics. The July 20, 1964, edition of U.S. News & World Report contains an informative article on the economic boom in the Huntsville, Ala., area—which is part of Appalachia. According to this article, about 4 years ago the Marshall Space Flight Center, employing some 7,000 persons, was established in Huntsville. The Army and NASA have drawn to northern Alabama many hundreds of contractors who want to be close by the Space Center. Last year, the Center awarded contracts of \$1 billion on Saturn rockets, and perhaps \$200 million of that was to be spent in the Huntsville area. Huntsville has doubled its population in just 4 years, and spawned local industries such as Brown Engineering which has grown from a handful of men to 3,400 employees. Huntsville now leads all Alabama in income per household. It has added one classroom a week to its school system for the last 9 years. Year before last 6,000 jobs were created in the area. In 1963, building permits exceeded \$81 million, compared with a little more than \$5 million in 1950.

### *Kentucky*

During his testimony before the ad hoc subcommittee last year, the Governor of Kentucky placed great emphasis on the actions taken by the State itself during the past 2 to 4 years to solve problems in Appalachia. He stressed extensive State action in the fields of education, highways, conservation, health, and parks and recreation. He also discussed a proposed 1965 bond issue of \$176 million to provide funds for highways, schools, parks, community health centers, agriculture development, small lakes, libraries, and other facilities. In addition to these State actions, Federal grants totaling \$27,561,000 have been made in the Appalachian part of Kentucky under the Accelerated Public Works Act. Since these actions occurred during the past 2 to 4 years, and since the report of the President's Appalachian Regional Commission uses 1960 statistics, the report cannot measure the impact or effectiveness of the programs. Certainly, this should be known before another massive Federal spending program is launched.



*Ohio*

The per capita personal income in Ohio is well above the national average. The State has a lower percentage of families having an annual income under \$3,000, and a higher percentage of families with an annual income of \$10,000 than the national average. It appears that even the Appalachian portion of Ohio, which includes less than 12 percent of the State's population, is comparatively well off, may not share common problems with the rest of Appalachia, and may not need or even benefit substantially from the President's proposal to assist Appalachia.

Testimony prepared by the State of Ohio, and submitted for the record during hearings of the ad hoc subcommittee last year contains the following:

Concerning median family income in Appalachia, those for Ohio counties are substantially larger than the value for all of Appalachia. The lowest median income in any county in the Ohio Valley region was \$2,829 in 1959; the highest was \$4,974. Concomitantly, the median incomes of 11 counties in the Ohio Valley region exceed \$4,000. For the region as a whole, the 18-county average of the individual county median family incomes increased from \$2,005 in 1949 to \$4,104 in 1959. With adjustment for price-level increases which also prevailed during this same period, the change in the adjusted (deflated) regional average family income represented an increase of almost 70 percent (69.9 percent) in purchasing power during this 10-year period. These relationships suggest a different order of economic condition than that representative of the other areas within Appalachia.

It is acknowledged that the median incomes characteristic of the Ohio Valley region are not equal to those of other counties of Ohio. These inequities notwithstanding, the rate of improvement in the Ohio Valley region (plus 107.8 percent) exceeded the rate of improvement in other Ohio regions. It also exceeded the rate of improvement for Ohio as a whole (plus 85.5 percent) in the decade 1949-59. Clearly, programs immediately applicable to the problems of all of Appalachia may not be of direct significance in improving conditions in the Ohio Valley region if median income constitutes a primary determinant.

*Georgia*

About one-third of the 35 Appalachian counties in Georgia are in the area serviced by the Tennessee Valley Authority. Ten of the thirty-five counties have never been eligible for assistance under the Accelerated Public Works Act, and two other counties that were once eligible are no longer eligible, because their rate of unemployment is not high enough. In fact, according to the report of the President's Appalachian Regional Commission, in both 1950 and 1960 the unemployment rate in the Appalachian portion of Georgia was lower than in the balance of the United States.

*South Carolina*

No part of South Carolina was included in Appalachia as that region was defined in the original proposal of the President. No comments or information concerning the economy of this State is to be found in the report of the President's Appalachian Regional Commission. Nevertheless, six South Carolina counties are included in Appalachia as the region is defined in S. 3. It is pertinent to note that as of February 10, 1965, none of these six counties were eligible for assistance under the Area Redevelopment Act, and only one was eligible for assistance under the Public Works Acceleration Act. Furthermore, one of the six counties, Spartanburg, is the most prosperous county in the State.

*North Carolina*

Ten of the twenty-nine Appalachian counties in North Carolina have never been eligible for assistance under the Accelerated Public Works Act, and an additional five were eligible at one time but became ineligible because of improved employment rates. According to the report of the President's Appalachian Regional Commission, the Appalachian portion of North Carolina had a lower unemployment rate than the balance of the Nation in both 1950 and 1960. The people in the Appalachian part of North Carolina have reacted to the President's proposal with a "mixture of indifference, amusement, and resentment" according to an editorial in the May 23, 1964, edition of the State, a magazine published in North Carolina and devoted largely to North Carolina affairs. An article in the same edition of that magazine shows that business is booming in the northwestern part of the State—the part in Appalachia. Both the editorial and the article were inserted in the Congressional Record by the gentleman from New Hampshire, Mr. Cleveland (Congressional Record, June 24, 1964, at p. 11496).

## USURPS JURISDICTIONS OF OTHER COMMITTEES

Several programs involved in this bill are under the jurisdiction of other committees of the House. Not only does the Committee on Public Works not have jurisdiction over these programs, but the members of the committee cannot be expected to have knowledge of all of the details of these programs necessary for full and intelligent consideration of their proper application to Appalachia.

Among the provisions of the bill over which other committees have jurisdiction under rule XI of the Rules of the House of Representatives, are the following:

Section 108. Personal Financial Interests.

Section 202. Demonstration Health Facilities.

Section 203. Land Stabilization, Conservation, and Erosion Control.

Section 204. Timber Development Organizations.

Section 205. Mining Area Restoration.

Section 211. Vocational Education Facilities.

Section 213. Amendments to Housing Act of 1954.

Section 214. Supplements to Federal Grant-in-Aid Programs—  
As applicable to supplemental grants for programs under sections 202, 203, 205, and 211 of this bill, title VI of the Public Health



Service Act, Vocational Education Act of 1963, Library Services Act, Federal Airport Act, part IV of title III of the Communications Act of 1934, Higher Education Facilities Act of 1963, Land and Water Conservation Fund Act of 1965, National Defense Education Act of 1958, and other programs for Federal grants-in-aid for the construction or equipment of facilities not under the jurisdiction of the Committee on Public Works.

Section 302(d). Pertaining to Copyrights and Patents.

No hearings on these provisions of the bill have been held by other House committees which have jurisdiction over such programs and subjects; no advice or recommendations have been received from such committees; and, as far as we know, none have been sought by the Committee on Public Works. There has been no opportunity for members of the Committee on Public Works to delve into the details of the existing programs outside of the committee's jurisdiction which will be affected by this bill, and it may have far-reaching impact upon these programs.

For example, section 202(c) expands upon the provision of title VI of the Public Health Service Act and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, as applicable to Appalachia, to authorize, for the first time, Federal grants for 100 percent of the cost of operation of multicounty demonstration health facilities, including hospitals, regional health diagnostic treatment centers, and other health facilities. These grants will cover all costs of operations, including salaries of doctors, nurses, technicians, and other persons providing services, and will constitute 100 percent Government subsidization of medical services performed in a facility constructed with 80 percent Federal funds. If the Federal Government pays all the salaries and expenses of administrators, doctors, nurses, and all other persons working in such health facilities, it is a foregone conclusion that the Federal Government, rather than the States, local communities, or private organizations will completely control all of these facilities, for it is human nature to respond to the wishes of whomever pays one's salary.

This provision constitutes a giant stride into the field of socialized medicine which Congress has consistently rejected in the past. In fact, a somewhat similar provision—which did not go nearly so far, for it was limited to initial staffing—was removed by the House Committee on Interstate and Foreign Commerce from the administration's requested Mental Retardation Facilities Construction Act enacted by the Congress in 1963. This is an attempt by the President to secure enactment in this Appalachian bill of a program which Congress has always rejected when considered by the committee of proper jurisdiction. If section 202(c) of this bill is enacted into law, it will be a precedent for insisting upon payment by the Government of 100 percent of the operating costs, including salaries of doctors, nurses, and all other personnel, as a part of all federally assisted health programs.

Section 205, pertaining to the restoration of mining areas, involves another important program under the jurisdiction of another committee. As it relates to Appalachia, this section enlarges upon the provision of existing law by providing Federal grants to fill and seal voids in abandoned bituminous coal mines, in addition to anthracite mines,

and increases the Federal share of the cost of projects up to 75 percent, including grants for restoration of strip and surface mines.

Paragraph (c) of this section goes beyond the limits of Appalachia. It directs the Secretary of the Interior to make a survey and study of strip and surface mining operations and their effects in the entire United States and to submit recommendations to the President for a long-range, comprehensive program for reclamation and rehabilitation of strip and surface mining areas in the United States and for policies under which the program should be conducted, which the President is to submit, along with his recommendations, to the Congress by July 1, 1967. Clearly, this is not a matter to be handled by the Committee on Public Works.

#### A NEW FEDERALLY CONTROLLED REGIONAL OCTOPUS

Title I of the bill established the Appalachian Regional Commission, whose general purposes would be (1) to develop plans and programs and establish priorities thereunder for the economic development of the region, (2) to coordinate State and Federal effort, (3) to conduct joint studies to identify the causes of the problems of Appalachia and find solutions, and (4) to make recommendations with respect to anything pertaining to the economic development of the region.

The Commission is to be composed of a Federal Cochairman appointed by the President with the advice and consent of the Senate, and one member from each participating State in the Appalachian region. This portion of the bill is defective because it places control of the Commission in the Federal Government rather than providing for the full and equal partnership of State governments. The bill designates the Federal representative as Cochairman of the Commission, and no decision can be made by the Commission without the affirmative vote of the Federal Cochairman and of a majority of the State members. The Federal vote on the Commission will be equal to the vote of all the States, thus giving the Federal Government veto power over all 11 States. It might be argued that the States could also veto Federal action, but this merely begs the issue, for the end result would be a stalemate.

The bill states in its "Findings and Statement of Purpose" that "The State and local governments and the people of the region understand their problems and have been working and will continue to work purposefully toward their solution." However, in spite of this and other lipservice given to State and local governments and their leadership, this will be a federally dominated Commission, which in turn will dominate the entire program. *No Federal grant-in-aid or assistance program or project can be implemented until plans therefor have been recommended by the Commission and approved or modified by the President or such Federal officer or officers as he may designate.*

The bill also authorizes the Commission to make recommendations to the President, State Governors, and appropriate local officials with respect to the expenditure of funds by all levels of government in the fields of natural resources, agriculture, education, training, health and welfare, Federal, State, and local legislation or administrative actions,



and anything else that is related in any way to the economic development of the region, including the generation and transmission of electrical energy. This authority to recommend is not limited to the programs contained in the bill. It is unlimited in scope so long as it pertains to the general purposes of the bill, and could be the forerunner of additional wild and weird schemes for governmental socialization of Appalachia. Remember, the Federal Government's vote on the Commission is equal to that of all the States. If the States do not wish to go along with some recommendation proposed by the Federal representative, his authority to disapprove and kill every program and project under this bill in every one of the 11 States constitutes great power of coercion.

The Commission is not a Federal agency, and it is not a Federal corporation. Clearly this federally dominated body is not a State agency; nor is it an interstate agency formed by a compact between the States and consented to by the Congress. Just what is it?

The Appalachian Regional Commission is a new form of instrumentality designed to exercise Federal control over a region comprising several States. It is a hybrid-type, federally controlled joint interstate and Federal agency. State membership and participation therein has not been specifically authorized by the State legislatures, which is the usual procedure in interstate compacts, although the State Governors may have consented thereto. It is apparent that this is the first of a series of such Federal regional octopuses, which, if not stopped, will extend their tentacles into every part of the Nation to thwart freedom of State and local action and to make it subservient to the wishes of the Federal Government.

The time to stop this new move for Federal power is now. If this bill is to be enacted into law, the provisions relative to the Commission should be amended in two respects. First, Commission voting should be based on one vote for each State member and one vote for the Federal representative. Second, the members of the Commission should elect their own Chairman, and there should be only one Chairman.

This would restore the State-Federal partnership relation that has proved so successful in other programs. The States could then have an effective role in developing and initiating plans and programs, establishing priorities, conducting research and studies, and making recommendations. The Federal interest and the Federal dollar would be adequately protected, for Federal funds would not be made available for individual projects until the plans therefor have been approved by the appropriate Federal department or agency administering such program.

#### DISCRIMINATORY HIGHWAY PROGRAM

The highway program provided for in S. 3 is particularly discriminatory against portions of the Nation outside of Appalachia. This new program for the construction of a 2,350-mile system of development highways and 1,000 miles of local access roads would be superimposed upon the longstanding and successful Federal-aid highway program, for the benefit of the comparatively small Appalachian region alone. The bill would authorize the appropriation of \$840 million to pay up to 70 percent of the cost of constructing the new

system in Appalachia, which accounts for almost 77 percent of the funds authorized by the bill. This compares with \$1 billion authorized by the Federal-Aid Highway Act of 1964 for each of the fiscal years 1966 and 1967 to pay 50 percent of the cost of construction (except in public lands States) of the Federal-aid primary and secondary systems in all of the States.

The States having areas in Appalachia would, of course, receive their proportionate share of highway funds under the Federal-Aid Highway Act of 1964, and prior acts, in addition to the funds provided under S. 3. The total amount of Federal-aid primary, secondary, and urban highway funds already apportioned for fiscal year 1966 to the 11 States having areas in Appalachia was approximately \$237 million—about 24 percent of the total authorized for all of the States. A similar amount will be apportioned to the 11 States for fiscal year 1967. The total amount of Interstate Highway funds apportioned for fiscal year 1966 to the 11 Appalachian States was approximately \$802,700,000—more than 27 percent of the total apportioned to all of the State. A greater amount of interstate funds will be apportioned to the 11 States for fiscal year 1967.

The Appalachian region of the United States may or may not be unique in some respects, but it is most certainly not unique in its lack of adequate highways. If an additional \$840 million is to be authorized and appropriated for the construction of highways, it seems obvious that the best interests of the Nation demand that such funds be apportioned to and expended in all of the States (not a selected few) in accordance with an equitable formula.

#### POORLY CONCEIVED AND PLANNED HIGHWAY PROGRAM

In addition to its discriminatory aspects, section 201 of the bill, providing for construction of a special Appalachian development highway system and local access roads is so vague, poorly conceived, and otherwise objectionable that it should be rejected by the Congress, irrespective of what disposition is made of the remainder of the bill. It would establish an \$840 million program which would be inconsistent with the principles of the Federal-aid highway program, and at the same time overlap and compete with that longstanding and proven successful program.

Among the objectionable features of section 201 are the following:

1. It would provide for the construction of 1,000 miles of "local access roads" to serve "specific recreational, residential, commercial, industrial, or other like facilities or will facilitate a school consolidation program." There is no requirement that these roads be publicly owned or operated. Thus, Federal taxpayers' money would be available to pay up to 70 percent of the cost of constructing private driveways and access roads to country clubs, swimming pools, golf courses, and the like. The opportunity for financial favoritism and political payoffs to the owners, developers, and operators of "specific recreational, residential, commercial, industrial, or other like facilities" is uncomfortably apparent.

2. The development highway system and local access roads would be constructed under those provisions of title 23, United States Code, applicable to Federal-aid primary highways "which the Secretary [of



Commerce] determines are not inconsistent with this Act." Why the Secretary of Commerce should be given this unlimited power of determination, instead of letting the law speak for itself, is not apparent. No standards or expression of congressional intent are provided to guide the Secretary in this regard.

3. The Senate amended section 201 to remove the 1,000 miles of local access roads from the Appalachian development highway system and to treat these roads separately. Thus, there has been eliminated the requirement for local access roads to be added to the Federal-aid primary system and to be maintained by the State. The effect of this amendment is twofold. First, there are no standards for construction of local access roads, and second, there is no requirement for State or local governments to maintain local access roads after they are built. If it is not desired to add local access roads to the Federal-aid primary system, then the bill should be amended to require that such roads be added to the Federal-aid secondary system. Such an amendment would necessitate that local access roads be constructed to at least Federal-aid secondary highway standards, and, through the operation of section 116 of title 23, United States Code, the States would have the responsibility of maintaining these roads, which responsibility may be discharged by a State entering into an agreement, for the maintenance of any such road, with the county or municipality in which the road is located. It is inconceivable that the Federal Government should pay up to 70 percent of the cost of constructing local access roads and not require that they be maintained so as to preserve the Federal investment in such facilities.

4. Subsection (d) of section 201 authorizes the States to give special preference to the use of mineral resource material indigenous to the Appalachian region, and subsection (e) authorizes the Secretary of Commerce to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 percent of the 3,350 miles of development highways and local access roads. There is no requirement that use of such materials not increase the cost of these highways and roads, and an amendment offered in the committee to add such a requirement was summarily voted down. These two sections are contrary to the long established regulation of the Secretary of Commerce relative to the Federal-aid highway program, which provides (sec. 1.19, title 23, Code of Federal Regulations) :

No requirement shall be imposed and no procedure shall be enforced by any State in connection with a project which may operate (a) to require the use or provide a price differential in favor of articles or materials produced within the State, or otherwise to prohibit, restrict or discriminate against the use of articles shipped from or prepared, made or produced in any State, territory, or possession of the United States; \* \* \*.

No Federal-aid highway program should permit, and certainly none should promote, the use of inferior materials, or materials that are more costly than satisfactory alternates, merely because such materials are indigenous to the area where a highway project is being constructed.

5. The bill requires that each State member of the Appalachian Regional Commission obtain the recommendations of the highway department of the State which he represents. But there is no requirement that the recommendations of the highway department be followed or even considered. Thus, the highway departments could be bypassed almost entirely. The very inclusion of this provision makes it legally possible, and, in fact, implies, that the construction of the development highway system and local access roads will be by agencies other than the State highway departments, without the participation of or coordination with the highway departments.

6. Subsection (f) of section 201 provides that the Federal assistance to any highway construction project shall not exceed 50 percent of the cost of such project, unless the Secretary of Commerce determines, pursuant to recommendation of the Commission, that assistance in excess of such percentage is required in furtherance of the purposes of the act, in which event the Federal assistance may be as much as 70 percent. The bill contains no standards for determination by either the Commission or the Secretary as to when the Federal share of the cost of a project may exceed 50 percent. It seems obvious that the Federal share should not exceed 50 percent unless there is a finding that the State does not have the economic and financial capacity to supply its full percentage of the cost of a project; however, an amendment offered in committee to establish such a standard was not accepted. In spite of the 50-percent language in the bill, it appeared from the testimony that those who will administer the program plan for the Federal Government to pay 70 percent of the cost of every project, irrespective of the ability of a State to pay its full 50-percent share. In fact, the report of the Senate Committee on Public Works says that the Federal Government will contribute \$840 million and the participating States will provide \$360 million to construct these highways, indicating that the States' share will be only 30 percent of the total cost. If the Federal share of the cost of the entire highway program is to be 70 percent, then the bill should say so, rather than misleading Members of Congress and the public by giving lipservice to a 50-percent limitation that will not be applied.

7. There is no requirement that the Appalachian development road program be in addition to instead of in lieu of the regular Federal-aid highway program. Certainly, there may be a great inclination on the part of some States, particularly those which are comparatively short of highway funds, to utilize the 70-percent federally financed special development highway program in preference to the 50-percent federally financed regular Federal-aid highway program. Already, several of the Appalachian States lag behind in their utilization of Federal-aid highway funds. Five of the States (Georgia, Maryland, Pennsylvania, Tennessee, and West Virginia) are substantially below the national averages in terms of obligating funds made available for the so-called "ABC" program. And seven of the States (Alabama, Georgia, Kentucky, Maryland, North Carolina, Pennsylvania, and West Virginia) are behind national average in terms of obligating interstate highway funds.



8. The bill authorizes the appropriation of \$840 million for construction of the Appalachian development highway system and local access roads, but does not specify the source of such funds. The committee heard testimony that the appropriations would be made out of the general funds of the Treasury—but there is nothing in the bill to preclude appropriations out of the highway trust fund if, at some future time, this is considered desirable.

#### A WASTEFUL AND INEFFECTIVE LAND IMPROVEMENT PROGRAM

Section 203 of the bill would authorize the Secretary of Agriculture to enter into agreements of not more than 10 years with landowners, operators, and occupiers, individually or collectively, for payment by the Federal Government of up to 80 percent of the costs of providing for land stabilization, erosion and sediment control, and reclamation through changes in land use, and conservation treatment including the establishment of practices and measures for the conservation and development of soil, water, woodland, wildlife, and recreation resources.

This section was entitled, "Pasture Improvement and Development," in the Appalachian Regional Development Act of the last Congress, and would have authorized the Secretary of Agriculture to make grants to landowners in amounts up to 80 percent of the costs of improving and developing 25 acres of pastureland owned by such landowner in the region. This proposal was considerably broadened in S. 3 to include lands other than pastureland and to increase the acreage available for assistance per landowner, operator, or occupier to 50 acres, despite the fact that there is no increase in the funds available to carry out the section. This creates concern as to the standards of the conservation program which would be established and the effectiveness of the techniques to be employed, for it will obviously cost more to properly improve 50 acres than 25 acres.

Both cropland and pastureland will be eligible for improvements under this section. During the past several years the production of beef in the United States and the importation of beef have reached all time highs, resulting in the decline of gross cash receipts for beef producers and a reduction in the average net price of beef for the producer. It is ridiculous to expend Federal funds for the purpose of placing more land into beef production and, at the same time, expend Federal funds to maintain storage facilities for existing beef surpluses and to purchase excess beef poundage through diversion programs. It is also difficult to understand why a new program should be created for the improvement of cropland which will result in higher crop yields, when the Federal Government is expending funds to remove cropland from production. The increase in beef production and crop production, both of which would result from the carrying out of this section, are inconsistent with national agricultural objectives. The provisions of this section apply to a sufficiently large percentage of the total farm acreage in this Nation to affect the overall national objectives of the agricultural program,

and as a result very seriously jeopardizes the stability of that program.

One striking item about this section is its inconsistency with the objectives of the administration. In the President's budget, for fiscal year 1966, it is stated:

But in view of the market outlook for farm commodities at home and abroad, farming alone cannot be expected to provide a decent living in the future for more than about 1 million farm families, even with continued Government assistance. Many low-income farm families will have to find other ways of earning a living, or other sources of income to supplement their modest farm earnings, if they are to share more fully in our national prosperity.

This means that some 21½ million families, living on marginal farms, will have to yield to the growing mechanization and enlargement of the farm unit and seek other means of subsistence. Providing Federal assistance to these farms for the improvement of cropland and pastureland would have the effect of subsidizing these marginal units and thus prolonging the inevitable closing of uneconomic farm units. One of the cruelest aspects of this land-improvement section is the false hopes that will be raised among many of the farmers in Appalachia by subsidizing uneconomic farm units and, thereby, leading farmers to believe that, under present conditions, their farms can become viable, productive, economic units when, in fact, this cannot be done. This section will perpetuate the status quo, instead of doing away with rural poverty.

This section unduly discriminates against those landowners, operators, and occupiers outside the Appalachian area. In essence, this section will be ineffective in Appalachia and it has an enormously damaging potential for other regions in the United States.

#### A NEW TVA-TYPE PROGRAM

Section 206 of the bill would authorize and direct the Secretary of the Army to prepare a "comprehensive plan for the development and efficient utilization of the water and related resources of the Appalachian region," with an initial authorization of \$5 million to commence preparation of the plan. This plan may recommend measures for the control of floods; the regulation of rivers; the generation of hydroelectric power; the prevention of water pollution by drainage from mines; the development and enhancement of recreational potentials; the improvement of rivers for navigation; the conservation and utilization of land resources; and "such other measures as may be found necessary to achieve the objectives of this section."

Such a plan would overlap and duplicate responsibilities and authorities of the Tennessee Valley Authority. This conclusion is unavoidable, since approximately half of the Tennessee Valley Authority's area is within the Appalachian region and more than one-fourth of the Appalachian region is within the Tennessee Valley Authority area. If the Tennessee Valley Authority has been successful, this section—and perhaps S. 3—is not needed. If it has not been successful, the Congress has been grossly misled and, if the proposed Appa-



lachian bill is really needed, it would seem that the latter may be the case.

One provision of this section is particularly worthy of note: It is provided that the water resource plan to be prepared by the Secretary of the Army "shall constitute an integral and harmonious component of the regional economic development program authorized by this Act." If this provision means that the Congress is authorizing, in advance, the recommendations contained in the plan to be prepared by the Secretary of the Army, we here record our most vehement protest. We refuse to be a party to such abrogation of congressional control over the expenditure of Federal funds and the direction of Federal programs.

Implementation of the plan to be prepared by the Secretary of the Army could lead to a federally dominated, socialistic program without parallel in this Nation. How such a program would be administered is open to speculation—perhaps by the Corps of Engineers, perhaps by a new Federal agency or Government corporation—but the scope of the program would be almost limitless.

Particular note is taken of the provision that the plan may include recommendations concerning "the generation of hydroelectric power" and "the conservation and efficient utilization of the land resource," as well as "such other measures as may be found necessary to achieve the objectives of this section."

The probable direction of the plan may be found in the testimony of Secretary of the Interior Udall before the ad hoc subcommittee on May 6, 1964, as follows:

Expanded use of coal for electric power generation, new uses for coal, better methods for mining and processing coal, and improved energy transportation can make the region's basic resource more valuable to its longrun future and create other job opportunities. \* \* \*

Yet the use of large generating plants in Appalachia and the development of extra-high-voltage transmission lines to carry this power to the eastern seaboard is only in a beginning stage.

We believe, as a consequence, that systematic engineering and economic analyses should now be made of the feasibility of installing coal-fired generating plants in Appalachia—each located to insure a long-range supply of fuel—and each tied into suitable hydroelectric capacity for peaking purposes. The transmission network such generating capacity would require, and the organizational and financial arrangements which would be necessary to make such a development possible, would also belong in these engineering and economic analyses.

We think that among the organizational alternatives to be studied should be a public, nonprofit corporation which could obtain necessary capital by borrowing on the open market. The studies should give consideration to new industrial development that might be established in Appalachia by reason of availability of large blocks of low-cost power.

In view of the numerous uncertainties and ambiguities of this section, as well as its almost limitless potential for a socialistic pro-

gram, we feel it should be stricken from the bill. Appropriate water resource surveys in the region can be authorized in the manner prescribed by existing law.

#### BACKDOOR REENACTMENT OF THE PUBLIC WORKS ACCELERATION ACT

Section 214 of the bill is, in effect, a backdoor reenactment of the discredited and ineffectual Public Works Acceleration Act for the benefit of the 360 counties in Appalachia. This section authorizes the Secretary of Commerce, who administers both the Area Redevelopment Act and the Public Works Acceleration Act, to allocate funds authorized by this bill for the purpose of increasing to 80 percent the Federal share of the cost of projects for which Federal grants-in-aid are provided for the construction or equipment of facilities under the provisions of this bill or any other existing Federal grant-in-aid program, except for the construction of highways, if funds are available therefor, under the act, authorizing such program. This provision would even apply to projects under the Area Redevelopment Act—the continuation of which Congress has rejected—and the Public Works Acceleration Act, for which Congress has not authorized additional funds, if any money should be appropriated for these programs.

The Public Works Acceleration Act provides for only 50 percent Federal participation except, when a State or local community cannot provide all of its 50 percent matching share, the Federal contribution may be increased up to 75 percent of the cost of projects. Public works acceleration grants can only be made for projects in areas designated as redevelopment areas under the Area Redevelopment Act or in areas of substantial unemployment as designated by the Secretary of Labor in accordance with standards contained in the Public Works Acceleration Act. This bill, on the other hand, increases the amounts of Federal grants up to 80 percent of the cost of all projects and authorizes such grants for all areas of Appalachia, irrespective of whether they are depressed or prosperous.

There is a serious ambiguity as to what is meant by the vague language of this section increasing the Federal portion of the cost of projects up to 80 percent. It is unclear as to whether or not the increased Federal percentage of the cost of projects is still subject to dollar amount limitations imposed by existing law. For example, the Federal Water Pollution Control Act authorizes Federal grants to assist in the construction of sewage treatment works in amounts not to exceed 30 percent of the cost of a single project, or \$600,000, whichever is the lesser. Under existing law, a \$1 million project would be eligible for a maximum \$300,000 grant. It is unclear as to whether the application of this section would authorize an \$800,000 grant or whether the \$600,000 limitation would prevail. It was the consensus of the members of the Committee on Public Works that grants under this section should remain subject to any fixed-dollar limitations in existing law; however, a majority of the committee refused to accept an amendment to assure this result. This is typical of vague and uncertain language throughout the bill which a majority of the committee insisted upon leaving intact, apparently in response to instructions they received to accept no amendments and to make no changes in the bill as passed by the Senate.



The Public Works Acceleration Act, which was enacted in 1962 as a highly publicized solution to the nationwide unemployment problem, has proved to be a dismal failure. The Area Redevelopment Administration, which administers this \$900 million program, has been unable to show any substantial reduction in unemployment actually attributable to the program. It has made glowing reports of the number of jobs created by projects, as distinguished from the number of unemployed persons actually put to work, but even these figures have been ballooned out of all reason, apparently in an effort to secure congressional authorization of additional funds. However, even the administration does not now support a continuation of this program.

The Comptroller General of the United States recently submitted four reports to Congress on the PWA program. The first report, transmitted on June 3, 1964, advised that ARA has overstated the on-site man-months actually worked on projects from 83 to 128 percent. The second report, transmitted to Congress on June 25, 1964, pointed out that grants of over \$21 million were made for 85 projects in areas that no longer had substantial unemployment and did not qualify as redevelopment areas. The third report, transmitted to Congress on August 24, 1964, disclosed that \$6.6 million has been approved for PWA projects in seemingly nondepressed areas on the basis that one area in each State could be designated a redevelopment area, even though such area is not depressed, which is not in accord with the law. The fourth report, submitted to Congress on October 9, 1964, concerns the commitment of about \$26 million additional of PWA program funds for projects no longer burdened by substantial and persistent unemployment, which is contrary to the intent and purpose of the Public Works Acceleration Act. The making of such grants in areas which had sufficiently recovered from their unemployment burdens to lose their eligibility, denied funds to other areas which were eligible.

Furthermore, the on-site man-year project costs have been exorbitantly high for many PWA projects, frequently exceeding \$50,000. We cannot afford to create many new jobs at this rate.

The expenditure of almost \$900 million under the PWA program has been of little demonstrated assistance to unemployed persons throughout the United States, and there is no reason to think that its continuation in Appalachia is going to produce any different results.

In fact, substantial amounts of ARA and PWA funds have been spent in Appalachia. Mr. William I. Batt, Jr., Administrator of the Area Redevelopment Administration, testified last year that ARA has invested some \$89 million, or about 30 percent of all its funds, in the hard-hit areas of the Appalachian States. According to published information, approximately \$203 million in Federal grants were made under the Public Works Acceleration Act during the period from September 1962 to November 1963 in 268 of the 360 Appalachian counties. This constitutes approximately 23 percent of the PWA funds appropriated for the entire Nation.

Following is a table listing each of the 360 Appalachian counties named in S. 3 and showing their eligibility for and amounts of Federal grants under the Public Works Acceleration Act, and a numerical summary of the same information by States:

*Appalachian counties' eligibility for and amounts of Federal grants under the Public Works Acceleration Act (as of Feb. 10, 1965)*

State and county	Never eligible for PWA grants	Once eligible for PWA grants but eligibility now terminated	Amounts of PWA grants to counties ever eligible (nearest thousand)	State and county	Never eligible for PWA grants	Once eligible for PWA grants but eligibility now terminated	Amounts of PSA grants to counties ever eligible (nearest thousand)
<b>ALABAMA</b>				<b>KENTUCKY</b>			
Bibb.....			\$309,000	Adair.....			\$230,000
Blount.....			0	Bath.....			460,000
Calhoun.....			893,000	Bell.....			877,000
Chambers.....	X		0	Boyd.....			1,013,000
Cherokee.....			0	Breathitt.....			1,309,000
Chilton.....			178,000	Carter.....			566,000
Clay.....		X	0	Casey.....			0
Cleburne.....			133,000	Clark.....		X	1,697,000
Colbert.....			205,000	Clay.....			830,000
Coosa.....			143,000	Clinton.....			368,000
Cullman.....			1,112,000	Cumberland.....			234,000
De Kalb.....			318,000	Elliott.....			102,000
Elmore.....			0	Estill.....			823,000
Etowah.....			4,038,000	Fleming.....			0
Fayette.....			0	Floyd.....			891,000
Franklin.....			634,000	Garrard.....		X	213,000
Jackson.....			1,481,000	Green.....			0
Jefferson.....		X	6,583,000	Greenup.....			1,617,000
Lauderdale.....			801,000	Harlan.....			1,950,000
Lawrence.....			0	Jackson.....			396,000
Limestone.....			744,000	Johnson.....			0
Madison.....	X			Knott.....			465,000
Marion.....			681,000	Knox.....			519,000
Marshall.....			1,154,000	Laurel.....			405,000
Morgan.....	X			Lawrence.....			414,000
Randolph.....	X			Lee.....			343,000
St. Clair.....			434,000	Leslie.....			62,000
Shelby.....			405,000	Letcher.....			1,313,000
Talladega.....		X	518,000	Lewis.....			140,000
Tallapoosa.....	X			Lincoln.....		X	241,000
Tuscaloosa.....	X			McCreary.....			533,000
Walker.....			581,000	Madison.....			543,000
Winston.....			283,000	Magoffin.....			443,000
<b>Total.....</b>			<b>21,628,000</b>	Martin.....			25,000
<b>GEORGIA</b>				Menifee.....			520,000
Banks.....			0	Monroe.....			270,000
Barrow.....			320,000	Montgomery.....		X	0
Bartow.....			0	Morgan.....			53,000
Carroll.....			642,000	Owsley.....			67,000
Catoosa.....	X			Perry.....			1,364,000
Chattooga.....	X			Pike.....			1,212,000
Cherokee.....	X			Powell.....			286,000
Dade.....			234,000	Pulaski.....			1,507,000
Dawson.....			79,000	Rockcastle.....			238,000
Douglas.....			0	Rowan.....			195,000
Fannin.....			0	Russell.....			307,000
Floyd.....	X			Wayne.....			116,000
Forsyth.....			117,000	Whitley.....			556,000
Franklin.....			821,000	Wolfe.....			1,848,000
Gilmer.....			108,000	<b>Total.....</b>			<b>27,561,000</b>
Gordon.....			132,000	<b>MARYLAND</b>			
Gwinnett.....	X			Allegany.....			1,134,000
Habersham.....			538,000	Garrett.....			0
Hall.....	X			Washington.....			272,000
Haralson.....	X			<b>Total.....</b>			<b>1,406,000</b>
Heard.....			190,000	<b>NORTH CAROLINA</b>			
Jackson.....	X			Alexander.....	X		
Lumpkin.....			376,000	Alleghany.....			147,000
Madison.....	X			Ashe.....			267,000
Murray.....			20,000	Avery.....			376,000
Paulding.....			0	Buncombe.....	X		
Pickens.....			0	Burke.....	X		
Polk.....			240,000	Caldwell.....	X		
Rabun.....			341,000	Cherokee.....			821,000
Stephens.....		X	43,000	Clay.....			284,000
Towns.....			413,000	Davie.....	X		
Union.....			469,000	Forsyth.....	X		
Walker.....		X	457,000	Graham.....			232,000
White.....			377,000	Haywood.....	X		
Whitfield.....	X			Henderson.....		X	50,000
<b>Total.....</b>			<b>5,917,000</b>				



*Appalachian counties' eligibility for and amounts of Federal grants under the Public Works Acceleration Act (as of February 10, 1965)—Continued*

State and county	Never eligible for PWA grants	Once eligible for PWA grants but eligibility now terminated	Amounts of PWA grants to counties ever eligible (nearest thousand)	State and county	Never eligible for PWA grants	Once eligible for PWA grants but eligibility now terminated	Amounts of PSA grants to counties ever eligible (nearest thousand)
<b>NORTH CAROLINA—continued</b>				<b>PENNSYLVANIA—continued</b>			
Jackson			\$89,000	Indiana			\$886,000
McDowell	X			Jefferson			599,000
Macon			207,000	Juniata			16,000
Madison			277,000	Lackawanna			2,912,000
Mitchell			472,000	Lawrence			781,000
Polk			0	Luzerne			2,472,000
Rutherford		X	0	Lycoming			1,032,000
Stokes	X			McKean			920,000
Surry		X	24,000	Mercer			921,000
Swain			1,354,000	Mifflin			305,000
Transylvania	X			Monroe			302,000
Watauga			159,000	Montour			0
Wilkes		X	870,000	Northumberland			773,000
Yadkin		X	0	Perry			87,000
Yancey			447,000	Pike			120,000
Total			6,574,000	Potter			8,000
<b>OHIO</b>				Schuylkill			4,818,000
Adams			0	Snyder			2,000
Athens			175,000	Somerset			742,000
Belmont			1,977,000	Sullivan			59,000
Brown			679,000	Susquehanna			287,000
Carroll			794,000	Tioga			31,000
Clermont			1,353,000	Union			109,000
Coshocton	X			Venango			32,000
Gallia			231,000	Warren			964,000
Guernsey			369,000	Washington			1,723,000
Harrison	X			Wayne			202,000
Highland			0	Westmoreland			5,143,000
Hocking			418,000	Wyoming			4,000
Holmes	X			Total			58,988,000
Jackson			283,000	<b>SOUTH CAROLINA</b>			
Jefferson		X	0	Anderson	X		
Lawrence			1,010,000	Cherokee			10,000
Meigs			0	Greenville	X		
Monroe			184,000	Oconee	X		
Morgan			147,000	Pickens	X		
Muskingum			5,678,000	Spartanburg	X		
Noble			41,000	Total			10,000
Perry			1,094,000	<b>TENNESSEE</b>			
Pike			100,000	Anderson	X		
Ross			518,000	Bledsoe			271,000
Scioto			807,000	Blount	X		
Tuscarawas		X	0	Bradley		X	487,000
Vinton			0	Campbell			140,000
Washington			787,000	Carter			168,000
Total			16,645,000	Claiborne			20,000
<b>PENNSYLVANIA</b>				Clay			52,000
Allegheny			14,635,000	Cocke			1,649,000
Armstrong			435,000	Coffee	X		
Beaver			3,316,000	Cumberland			91,000
Bedford			231,000	De Kalb			165,000
Blair			646,000	Fentress			283,000
Bradford			54,000	Franklin			119,000
Butler			1,674,000	Grainger			0
Cambria			2,478,000	Greene			57,000
Cameron			8,000	Grundy			640,000
Carbon			1,010,000	Hamblen		X	689,000
Centre			0	Hamilton			2,201,000
Clarion			193,000	Hancock			124,000
Clearfield			269,000	Hawkins	X		
Clinton			418,000	Jackson			390,000
Columbia			176,000	Jefferson		X	0
Crawford			1,030,000	Johnson			230,000
Elk			296,000	Knox	X		
Erie			2,263,000	Loudon			274,000
Fayette			3,169,000	McMinn			761,000
Forest			152,000	Macon			48,000
Fulton			2,000	Marion			113,000
Greene			68,000	Meigs			0
Huntingdon			215,000	Monroe			90,000

*Appalachian counties' eligibility for and amounts of Federal grants under the Public Works Acceleration Act (as of February 10, 1965)—Continued*

State and county	Never eligible for PWA grants	Once eligible for PWA grants but eligibility now terminated	Amounts of PWA grants to counties ever eligible (nearest thousand)	State and county	Never eligible for PWA grants	Once eligible for PWA grants but eligibility now terminated	Amounts of PSA grants to counties ever eligible (nearest thousand)
<b>TENNESSEE—continued</b>				<b>WEST VIRGINIA—continued</b>			
Morgan			\$146,000	Cabell			\$3,460,000
Overton			583,000	Calhoun			31,000
Pickett			0	Clay			0
Polk		X	0	Doddridge			92,000
Putnam			1,147,000	Fayette			2,042,000
Rhea			616,000	Gilmer			274,000
Roane			728,000	Grant			369,000
Scott			251,000	Greenbrier			980,000
Sequatchie			8,000	Hampshire			72,000
Sevier			681,000	Hancock		X	1,376,000
Smith		X	342,000	Hardy			277,000
Sullivan	X			Harrison			1,886,000
Unicoi			485,000	Jackson			247,000
Union			190,000	Jefferson			726,000
Van Buren			198,000	Kanawha			2,915,000
Warren	X			Lewis			0
Washington			126,000	Lincoln			1,118,000
White			444,000	Logan			1,516,000
Total			15,007,000	McDowell			247,000
<b>VIRGINIA</b>				Marion			580,000
Alleghany		X	0	Marshall			1,022,000
Bath		X	0	Mason			1,282,000
Bland	X			Mercer			2,461,000
Botetourt		X	0	Mineral			649,000
Buchanan			363,000	Mingo			2,317,000
Carroll			578,000	Monongalia			2,477,000
Craig	X			Monroe			749,000
Dickenson			178,000	Morgan			53,000
Floyd	X			Nicholas			860,000
Giles	X			Ohio			1,548,000
Grayson			613,000	Pendleton			430,000
Highland	X			Pleasants			671,000
Lee			593,000	Pocahontas			725,000
Pulaski	X			Preston			365,000
Russell			0	Putnam			287,000
Scott			283,000	Raleigh			2,655,000
Smyth	X			Randolph			673,000
Tazewell			660,000	Ritchie			88,000
Washington	X			Roane			89,000
Wise			2,058,000	Summers			329,000
Wythe	X			Taylor			243,000
Total			5,326,000	Tucker			321,000
<b>WEST VIRGINIA</b>				Tyler			333,000
Barbour			222,000	Upshur			324,000
Berkeley			1,448,000	Wayne			434,000
Boone			629,000	Webster			654,000
Braxton			364,000	Wetzel			64,000
Brooke		X	0	Wirt			0
				Wood			761,000
				Wyoming			276,000
				Total			44,011,000
				Grand total			203,073,000

S. 3 was amended by the Senate to authorize the Appalachian Regional Commission to invite the State of New York to include certain New York counties in the Appalachian program "on an appropriate basis," if certain findings are made by the Commission. The debate on the floor indicates that the amendment is to apply to 13 named New York counties. Following is a table listing each of these



counties and showing their eligibility for and amounts of Federal grants under the Public Works Acceleration Act:

State and county	Never eligible for PWA grants	Once eligible for PWA grants but eligibility now terminated	Amounts of PWA grants to counties ever eligible (nearest thousand)	State and county	Never eligible for PWA grants	Once eligible for PWA grants but eligibility now terminated	Amounts of PWA grants to counties ever eligible (nearest thousand)
NEW YORK				Delaware.....	X		
Allegany.....		X	\$54,000	Otsego.....			\$10,000
Broome.....	X			Schuyler.....			20,000
Cattaraugus.....		X	1,201,000	Steuben.....	X		
Chautauqua.....			3,000	Tioga.....	X		
Chemung.....		X	15,000	Tompkins.....	X		
Chenango.....	X			Total.....			1,303,000
Cortland.....	X						

*Summary of Appalachian counties' eligibility and Federal grants under the Public Works Acceleration Act (as of Feb. 10, 1965)*

State	Number of Appalachian counties in S. 3	Number of counties never eligible	Number of counties once eligible but not now eligible	Total number of counties not now eligible	Number of counties ever eligible	Number of counties that received grants	Amounts of public works acceleration grants
Alabama.....	33	6	3	9	27	21	\$21,628,000
Georgia.....	35	10	2	12	25	19	5,917,000
Kentucky.....	49	0	4	4	49	44	27,561,000
Maryland.....	3	0	0	0	3	2	1,406,000
North Carolina..	29	10	5	15	19	16	6,574,000
Ohio.....	28	3	2	5	25	19	16,645,000
Pennsylvania.....	52	0	0	0	52	50	58,988,000
South Carolina..	6	5	0	5	1	1	10,000
Tennessee.....	49	7	5	12	42	37	15,007,000
Virginia.....	21	9	3	12	12	8	5,326,000
West Virginia....	55	0	2	2	55	51	44,011,000
Total.....	360	50	26	76	310	268	203,073,000
New York <sup>1</sup> .....	13	7	3	10	6	6	1,303,000
Grand total....	373	57	29	86	316	274	204,376,000

<sup>1</sup> Not yet included in the Appalachian region.

The above tables show that 76 of the 360 Appalachian counties are not now eligible for grants under the Public Works Acceleration Act; nevertheless, they would be eligible for the even larger 80 percent Federal grants under the reenacted public works acceleration provisions of this bill.

The failure of public works construction programs to reduce unemployment, or to provide any enduring stimulus for the economy, is evidenced by the very fact that this bill is now before Congress. This bill authorizes the appropriation of \$252,400,000 to carry out all of the provisions of the bill, except the construction of highways, for the first two fiscal years. Much of this money will be spent for the construction of public facilities; such as those constructed under the Area Redevelopment Act and the Public Works Acceleration Act. Over approximately a 2-year period, some \$292 million in Federal funds have been expended in Appalachia under the area redevelopment and public works acceleration programs alone. If this expendi-

ture—which is almost \$40 million more than the amount authorized for the nonhighway programs in S. 3—had served its intended purpose of reducing unemployment, there might now be no special Appalachian antipoverty legislation before Congress.

#### CONCLUSION

A sudden and dramatic proposal for a “war” on poverty, in a particular region, has great appeal. But dramatics are no substitute for carefully considered and well-conceived legislative proposals.

We are in favor of governmental efforts to promote the economic well-being of our less fortunate citizens throughout the Nation. But we believe that those efforts should be consistent with the basic concept of government that private enterprise and self-help are the keystone, and that massive Federal intervention should be resorted to only as a last and unavoidable measure, and then only in areas that have actual need for such assistance.

We are opposed to legislation which would discriminate against parts of the Nation in favor of others. We are opposed to legislative proposals characterized by vague and ambiguous programs designed to appeal to emotions rather than reason. We are opposed to the further growth of socialistic, bureaucratic programs which promote only big government—not the best interests of the Nation.

We believe the House should reject S. 3 for the reasons set forth in these minority views.

WILLIAM C. CRAMER.  
JOHN F. BALDWIN, JR.  
JAMES R. GROVER, JR.  
JAMES C. CLEVELAND.  
DON H. CLAUSEN.  
CHARLES A. HALLECK.  
CHARLOTTE T. REID.  
ROBERT C. MCEWEN.  
JAMES D. MARTIN.



## ADDITIONAL VIEWS

We are in favor of the Federal Government assisting in the economic development of depressed areas when such assistance is actually needed and when it has reasonable prospects of accomplishing lasting results. We also believe that such Federal assistance should be provided only upon a fair, equitable, and workable basis to all areas similarly situated, without political motivation.

We strongly oppose the proposed Appalachian Regional Development Act of 1965 for three major reasons: First, it is patently discriminatory in offering special Federal assistance to only one region in the United States, despite the known existence of equally depressed areas in other parts of the Nation. Second, it is objectionable in that it provides such assistance to prosperous as well as depressed counties within the region—at the expense of taxpayers in all economic strata throughout the country. Third, it would create a new regional super-government with absolute veto authority over State and local decisions and thus establish dictatorial power in the person of a single Federal representative on the Appalachian Regional Commission.

We offer, as a substitute for this discriminatory and unacceptable proposal of the administration, the Resources Development Act of 1965, as set forth in H.R. 4466, introduced by Mr. William C. Cramer, and identical bills introduced by Mr. James C. Cleveland, Mr. Don H. Clausen, and Mr. Robert C. McEwen.

The proposed Resources Development Act of 1965 would do the following:

First. Extend Federal financial assistance to all areas throughout the United States which qualify as “eligible areas” under the Public Works Acceleration Act—which include “redevelopment areas” designated under subsections (a) and (b) of section 5 of the Area Redevelopment Act and areas of substantial unemployment—and not just to a single region or to prosperous, economically advanced areas.

Second. Authorize programs and projects to be initiated by the States and local officials and administered by existing Federal agencies, rather than creating a new dictatorial regional Federal bureaucracy that has the power of life and death over programs and projects.

Third. Authorize the appropriation of funds, with varying State matching requirements, in amounts and for purposes as follows, for the period ending June 30, 1967:

Economic development highways-----	\$800, 000, 000
Demonstration health facilities-----	82, 000, 000
Timber development organizations-----	10, 000, 000
Mining area restoration-----	43, 000, 000
Water resource study-----	5, 000, 000
Vocational education facilities-----	32, 000, 000
Sewage treatment works-----	12, 000, 000
Grants for administrative expenses of local development districts and for research and demonstration projects-----	11, 000, 000
<b>Total-----</b>	<b>995, 000, 000</b>

The Resources Development Act of 1965 was offered as a substitute for the administration's Appalachian proposal in executive sessions of both the ad hoc subcommittee, which held hearings on S. 3, and the full Committee on Public Works. This proposed substitute, as well as numerous amendments designed to improve and clarify the administration's proposal, was rejected by a majority of the committee, apparently in response to directions to accept no amendments and to make no changes in the bill as passed by the Senate.

We intend to offer the Resources Development Act of 1965, on the floor of the House, as a substitute for the discriminatory and unacceptable administration's proposal. This substitute is a meritorious measure and should attract bipartisan support.

It is inconceivable that any Member of the Congress, having economically depressed areas in his district or State, should vote to give special, preferential Federal assistance to the Appalachian region alone, at the expense of the taxpayers in depressed areas that he represents when, instead, he can vote for the nationwide and equitable Resources Development Act of 1965.

The proposed Resources Development Act of 1965 follows:

A BILL To provide public works and economic development programs needed to assist in the development of areas of the United States which have not realized their full economic potential.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*  
That this Act may be cited as the "Resources Development Act of 1965."

#### FINDINGS AND STATEMENT OF PURPOSE

SEC. 2. The Congress hereby finds and declares that some areas of the United States, which may be abundant in natural resources and rich in potential, lag behind the rest of the Nation in economic growth and that the people of such areas have not shared properly in the Nation's prosperity. It is, therefore, the purpose of this Act to assist these areas in meeting their special problems, to promote their economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to their growth and attacking their common problems and meeting their common needs on a coordinated and concerted basis. The public investments made under this Act shall be concentrated in areas where there is the greatest potential for future growth, and where the expected return on public dollars invested will be the greatest. As these areas obtain the needed physical and transportation facilities and develop their human resources, the Congress expects that such areas will generate diversified industries, and that these areas will then be able to support themselves, through the workings of a strengthened free enterprise economy.



## ECONOMIC DEVELOPMENT HIGHWAYS

SEC. 3. (a) The Secretary of Commerce (hereinafter in this section referred to as the "Secretary") is authorized to assist in the construction of economic development highways. Such highways, in conjunction with Federal-aid highways and other public highways and roads shall be designed to open up areas with an economic developmental potential where commerce and communication are inhibited by lack of adequate highway access. The provisions of title 23, United States Code, that are applicable to the Federal-aid primary systems and which are not inconsistent with this Act, shall apply to the economic development highways provided for in this section, except that the provisions of title 23, United States Code, that are applicable to the Federal-aid secondary system and which are not inconsistent with this Act shall apply to any economic development highways added to such system. Each development highway not already on the Federal-aid primary system shall be added to such system, except that not to exceed three thousand miles of development highways may be added to the Federal-aid secondary system.

(b) As soon as feasible after enactment of this Act the State highway department of each State shall submit to the Secretary its recommendations with respect to (1) the general corridor location and termini of economic development highways, within the State, not exceeding a mileage equal to 5 per centum of the total mileage of highways then designated on the Federal-aid primary system within the State, and (2) priorities for construction of the major segments of such highways. Such recommendations shall be accompanied by a certificate of the Governor of the State that the recommendations have been developed after consultation with the State agencies concerned with conservation and development of natural resources, and public health and welfare.

(c) All economic development highways designated as such pursuant to this section shall serve eligible areas (1) which have an economic developmental potential that can be promoted by adequate highway access, and (2) where commerce, communication, and realization of economic development potential have been inhibited by lack of adequate highway access.

(d) The Secretary shall have authority to approve in whole or in part the recommendations of the State highway department or to require modifications or revisions thereof. As soon as feasible after enactment of this Act, but in any event not later than January 30, 1966, the Secretary shall designate economic development highway routes in each State having an eligible area meeting the criteria set forth in subsection (c) of this section, and not exceeding ten thousand miles in total length. Funds available for economic development highways shall be used to pay the Federal share of the cost of

construction and improvement of such highways. The Federal share payable on account of any such highway project shall not exceed 50 per centum of the cost of construction, unless the Secretary determines that the State does not have the economic and financial capacity to supply its percentage of such costs and that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall the Federal share payable on account of any project exceed 70 per centum of the cost of construction.

(e) Sums authorized to be appropriated for expenditure on the economic development highways shall be apportioned among the several States by the Secretary on or before January 1 next preceding the commencement of each fiscal year, in the following manner:

(1) For the fiscal years ending June 30, 1966, June 30, 1967, and June 30, 1968, in the manner provided in section 104(b) (1) of title 23, United States Code, for the apportionment of funds for the Federal-aid primary system.

(2) For the fiscal year ending June 30, 1969, and succeeding fiscal years, in the ratio which the estimated cost of completing the economic development highways in each State, as determined and approved in the manner provided in this paragraph bears to the sum of the estimated cost of completing such highways in all of the States. As soon as the highway routes have been designated pursuant to subsection (d) of this section, the Secretary, in the cooperation with the State highway departments, shall make a detailed estimate of the cost of completing the economic development highways as then designated, after taking into account all previous apportionments made under this section, in accordance with rules and regulations adopted by him and applied uniformly to all of the States. The Secretary shall transmit such estimates to the Senate and the House of Representatives within ten days subsequent to January 2, 1967. Upon approval of such estimate by the Congress, the Secretary shall use such approved estimate in making apportionments for the fiscal year ending June 30, 1969, and succeeding fiscal years, unless and until the Congress shall direct a different manner of apportionment.

(f) To carry out this section there is hereby authorized to be appropriated the sum of \$400,000,000 for the fiscal year ending June 30, 1966, and the sum of \$400,000,000 for the fiscal year ending June 30, 1967.

#### DEMONSTRATION HEALTH FACILITIES

SEC. 4. (a) In order to demonstrate the value of adequate health and medical facilities to the economic development of any eligible area, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction and equipment of multicounty demonstration health facilities,



including hospitals, regional health diagnostic and treatment centers, and other facilities necessary to health of persons in any eligible area. Grants for such construction (including initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291-291z) and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), without regard to any provisions therein relating to appropriation authorization ceiling or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) No grant under this section for construction (including initial equipment) shall exceed 80 per centum of the cost of the project. Not to exceed \$82,000,000 of the funds authorized in section 18 shall be available for construction grants under this section.

#### TIMBER DEVELOPMENT ORGANIZATIONS

SEC. 5. (a) In order that any eligible area shall more fully benefit from the timber stands that are one of its prime assets, the Secretary of Agriculture is authorized to—

(1) provide technical assistance in the organization and operation, under State law, of private timber development organizations having as their objective the carrying out of timber development programs to improve timber productivity, and quality, and increase returns to landowners through establishment of private nonprofit corporations, which on a self-supporting basis, may provide (A) continuity of management, good cutting practices, and marketing services, (B) physical consolidation of small holdings or administrative consolidation for efficient management under long-term agreement, (C) management of forest lands, donated to the timber development organizations for demonstrating good forest management, on a profitable and taxpaying basis, and (D) establishment of a permanent fund for perpetuation of the work of the corporations to be composed of donations, real or personal, for educational purposes.

(2) provide not more than one-half of the initial capital requirements of such timber development organizations through loans under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1926 et seq.). Such loans shall not be used for the construction or acquisition of facilities for manufacturing, processing or marketing forest products.

(b) Not to exceed \$10,000,000 of the funds authorized in section 18 of this Act shall be available to carry out this section.

## MINING AREA RESTORATION

SEC. 6. (a) In order to further the economic development of any eligible area presently damaged by deleterious mining practices, the Secretary of the Interior is authorized to—

(1) make financial contributions to the State in which such eligible area is located to seal and fill voids in abandoned coal mines in accordance with the provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formations, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act.

(2) plan and execute projects for extinguishing underground and outcrop mine fires in any eligible area in accordance with the provisions of the Act of August 31, 1954 (30 U.S.C. 551 et seq.), without regard to any provisions therein relating to annual appropriation authorization ceilings. Grants under this paragraph shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act.

(3) expand and accelerate fish and wildlife restoration projects in any eligible area in accordance with the provisions of the Act of September 2, 1937 (16 U.S.C. 669 et seq.), and the Act of August 9, 1950 (16 U.S.C. 777 et seq.), without regard to any provisions therein relating to apportionments among the States and to limitations on the availability of funds. The expenses of projects under this paragraph shall be paid solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the apportionments among the States pursuant to any other provisions of law.

(b) For the fiscal years 1966 and 1967, notwithstanding any other provision of law, the Federal share of mining area restoration projects carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof.

(c) The Congress hereby declares its intent to provide for a study of a comprehensive, long-range program for the purpose of reclaiming and rehabilitating strip and surface coal and other mining areas in the United States. To this general end, the Secretary of the Interior shall, in full cooperation with the Secretary of Agriculture, the Tennessee Valley Authority, and other appropriate Federal, State, and local departments and agencies, make a survey and study of strip and surface mining operations and their effects in the United States. The Secretary of the Interior shall submit to the President his recommendations for a long-range comprehensive program for reclamation and rehabilitation of strip



and surface mining areas in the United States and for the policies under which the program should be conducted, and the President shall submit these to the Congress, together with his recommendations, not later than July 1, 1967. Such study and recommendations shall include, but not be limited to, a consideration of the following matters—

(1) the nature and extent of strip and surface mining operations in the United States and the conditions resulting therefrom;

(2) the ownership of the real property involved in strip and surface mining operations;

(3) the effectiveness of past action by States or local units of government to remedy the adverse effects of strip and surface mining operations by financial or regulatory measures, and requirements for appropriate State legislation, including adequate enforcement thereof, to provide for proper reclamation and rehabilitation of areas which may be strip and surface mined in the future;

(4) the public interest in and public benefits which may result from reclamation, rehabilitation, and appropriate development and use of areas subjected to strip and surface mining operations, including (A) economic development growth, (B) public recreation, (C) public health and safety, (D) water pollution, stream sedimentation, erosion control, and flood control, (E) highway programs, (F) fish and wildlife protection and restoration, (G) scenic values, and (H) forestry and agriculture;

(5) the appropriate roles of Federal, State, and private interests in the reclamation and rehabilitation of strip and surface mining areas and the relative costs to be borne by each, including specific consideration of (A) the extent, if any, to which strip and surface mine operators are unable to bear the cost of remedial action within the limits imposed by the economics of such mining activity, and (B) the extent to which the prospective value of lands and other natural resources, after remedial work has been completed, would be inadequate to justify the landowners doing the remedial work at their expense; and

(6) the objectives and the total overall costs of a program for accomplishing the reclamation and rehabilitation of existing strip and surface mining areas in the United States, giving adequate consideration to (A) the economic benefits in relation to costs, (B) the prevention of future devastation of reclaimed and rehabilitated areas, (C) the avoidance of unwarranted financial gain to private owners of improved property, and (D) the types of aid required to accomplish such reclamation and rehabilitation.

(d) No moneys authorized by this Act shall be expended for the purposes of reclaiming, improving, grading, seeding, or reforestation of strip-mined areas except on lands owned

by Federal, State, or local bodies of government, until authorized by law after completion of the study and report to the President as provided in subsection (c) of this section.

(e) Not to exceed \$43,000,000 of the funds authorized in section 18 of this Act shall be available to carry out this section.

#### WATER RESOURCE STUDY

SEC. 7. (a) The Secretary of the Army is hereby authorized and directed to make a study of all authorized projects, and all surveys authorized for projects, for flood control, navigation, and beach erosion control, the construction of which projects will be economically beneficial to any eligible area in the development and efficient utilization of water and related resources, particularly in regard to the need for an increase in the production of economic goods and services within the eligible area, as a means of expanding economic opportunities and thus enhancing the welfare of its people, and for the purpose of determining priorities of construction of such projects and the need for authorization of new surveys, new projects, or additional work, which will provide such benefits for eligible areas.

(b) The Secretary shall submit a report of the study to the Congress not later than June 30, 1967, together with his recommendations for priorities of the making of surveys and the construction of projects that will be economically beneficial to eligible areas.

(c) Not to exceed \$5,000,000 of the funds authorized in section 18 of this Act shall be available to carry out this section.

#### AMENDMENTS TO HOUSING ACT OF 1954

SEC. 8. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking the word "and" at the end of paragraph (7), by substituting for the period at the end of paragraph (8) the phrase "; and", and by adding a new paragraph (9) to read as follows:

"(9) States, local development districts, and other State governmental agencies and instrumentalities authorized to administer or carry out programs or projects under the Resources Development Act of 1965."

(b) Section 701(b) of the Housing Act of 1954 (40 U.S.C. 461(b)) is amended by adding before the period at the end of the first sentence the following: ", or to States, local development districts, and other State governmental agencies and instrumentalities in connection with planning for the economic development of eligible areas under the Resources Development Act of 1965".

#### VOCATIONAL EDUCATION FACILITIES

SEC. 9. (a) In order to provide basic facilities to give the people of any eligible area the training and education they need to obtain employment, the Secretary of Health,



Education, and Welfare is authorized to make grants for construction of the school facilities needed to provide vocational education for persons of any eligible area for whom such education is not now adequately available. Such grants shall be made in accordance with the provisions of the Vocational Education Act of 1963 (77 Stat. 403), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) Not to exceed \$32,000,000 of the funds authorized in section 18 of this Act shall be available to carry out this section.

#### SEWAGE TREATMENT WORKS

SEC. 10. (a) In order to provide facilities to assist in the prevention of pollution of the waters in any eligible area and to protect the health and welfare of its citizens, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction of sewage treatment works in accordance with the provisions of the Federal Water Pollution Control Act (33 U.S.C. 466 et seq.), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States pursuant to any other provision of law.

(b) Not to exceed \$12,000,000 of the funds authorized in section 18 of this Act shall be available to carry out this section.

#### MAINTENANCE OF EFFORT

SEC. 11. No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds, exclusive of Federal funds, for the benefit of all eligible areas within the State are maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act. In computing the aggregate expenditures of State funds and the average level of expenditure for its last two fiscal years, a State's expenditures for participation in the National System of Interstate and Defense Highways shall not be included.

#### CONSENT OF STATES

SEC. 12. Nothing contained in this Act shall be interpreted as requiring any State to engage in or accept any program under this Act without its consent.

## PROGRAM IMPLEMENTATION AND PROJECT APPROVAL

SEC. 13. (a) A program authorized under any section of this Act shall not be implemented until the Secretary administering such program has consulted with the appropriate official or officials concerned with such program as may be designated by the Governor or Governors of the State or States involved and has obtained the recommendations and approval of such official or officials with respect to such program. No project shall be approved for Federal assistance under this Act unless it is approved by such appropriate State official.

(b) No Federal assistance shall be given under this Act for any project for an area which is not an eligible area on the date such project is finally approved for assistance by the Secretary administering such assistance, except that if such area shall thereafter cease to be an eligible area, this subsection shall not prevent (1) the furnishing of Federal assistance for the completion of such project, or (2) the granting of additional Federal assistance to such area under this Act to complete the construction or equipment of any highway, hospital, health, educational, sewage treatment, or other facility, with respect to which such project has been approved.

## PROGRAM DEVELOPMENT CRITERIA

SEC. 14. (a) In developing recommendations on the programs and projects to be given assistance under this Act, and in establishing within those recommendations a priority ranking of the requests for Federal assistance, the States shall follow procedures that will insure consideration of the following factors:

(1) the relationship of the project or class of projects to overall regional development including its location in an area determined by the State to have the greatest potential for growth;

(2) the population and area to be served by the project or class of projects including the relative per capita income and the unemployment rates in the area;

(3) the relative financial resources available to the State or political subdivisions or instrumentalities thereof which seek to undertake the project;

(4) the importance of the project or class of projects in relation to other projects or classes of projects which may be in competition for the same funds;

(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic and social development of the area served by the project.

(b) Nothing in this Act shall authorize any assistance under this Act to be used (1) in relocating establishments



from one area to another; (2) to finance the cost of industrial plants, commercial facilities, machinery, or working capital; (3) to finance the cost of facilities for the generation, transmission, or distribution of electric energy; or (4) to finance the cost of facilities for the production, transmission, or distribution of gas (natural, manufactured, or mixed).

#### LOCAL DEVELOPMENT DISTRICTS—CERTIFICATION

SEC. 15. For the purposes of this Act, a "local development district" shall be an entity certified to the Secretary of Commerce either by the Governor of the State or States in which such entity is located, or by the State officer designated by the appropriate State law to make such certification, as having a charter or authority that includes the economic development of any eligible area, or areas, or parts thereof. Such charter or authority may also include the economic development of areas outside of an eligible area. No entity shall be certified as a local development district for the purposes of this Act unless it is one of the following:

- (1) a nonprofit incorporated body organized or chartered under the law of the State in which it is located;
- (2) a nonprofit agency or instrumentality of a State or local government;
- (3) a nonprofit agency or instrumentality created through an interstate compact; or
- (4) a nonprofit association or combination of such bodies, agencies, and instrumentalities.

#### GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS

SEC. 16. (a) The Secretary of Commerce is authorized—

(1) to make grants for administrative expenses to local development districts. The amount of any such grant shall not exceed 75 per centum of such expenses attributable to the economic development of eligible areas in any one fiscal year. No grants for administrative expenses shall be made to a local development district for a period in excess of three years beginning on the date the initial grant is made to such development district. The local contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

(2) either directly or through arrangements with appropriate public or private organizations, to provide funds for investigation, research, studies, and demonstration projects, but not for construction purposes, which will further the purposes of this Act.

(b) Not to exceed \$11,000,000 of the funds authorized in section 16 of this Act shall be available to carry out this section.

## ANNUAL REPORT

SEC. 17. Not later than six months after the close of each fiscal year, each Secretary of an executive department administering any program under this Act shall prepare and submit to the Governor of each State and to the President, for transmittal to the Congress, a report on the activities carried out under this Act during such year.

## AUTHORIZATION OF APPROPRIATIONS

SEC. 18. In addition to the appropriations authorized in section 3 for the economic development highways, there is hereby authorized to be appropriated for the period ending June 30, 1967, to be available until expended, not to exceed \$195,000,000 to carry out this Act.

## APPLICABLE LABOR STANDARDS

SEC. 19. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting and decorating, of projects, buildings, and works which are financially assisted through the Federal funds authorized under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

## DEFINITION OF ELIGIBLE AREA

SEC. 20. As used in this Act, the term "eligible area" shall have the same meaning as is given it in section 3(a) of the Public Works Acceleration Act (76 Stat. 541).

## SEVERABILITY

SEC. 21. If any provision of this Act, or the applicability thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

## TERMINATION

SEC. 22. This Act shall cease to be in effect on July 1, 1971.

A section-by-section analysis of the Resources Development Act of 1965 follows:



SECTION-BY-SECTION ANALYSIS OF THE RESOURCES DEVELOPMENT ACT  
OF 1965

## FINDINGS AND STATEMENT OF PURPOSE

Section 2. This section sets forth the congressional findings of a lag in the economic growth of various depressed areas of the United States and states that it is the purpose of the act to promote the economic development of these areas and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to their economic growth and attacking their problems and meeting their needs on a coordinated and concerted basis.

## ECONOMIC DEVELOPMENT HIGHWAYS

Section 3. This section would make any "eligible area," within the meaning of the Accelerated Public Works Act, which has an economic development potential that can be promoted by highway access, and where commerce, communication, and realization of economic development potential have been inhibited by lack of adequate highway access, eligible for the designation and construction of economic development highways. This section would authorize the Secretary of Commerce to designate 10,000 miles of economic development highways throughout the United States to be constructed over a 6-year period (not to exceed 3,000 miles of which may be placed on the Federal-aid secondary system and the remainder of the Federal-aid primary system). The bill authorizes the appropriation of \$400 million for each of the first two fiscal years, with the remaining amount of authorizations to be based upon an estimate of cost to complete such highways, to be submitted to the Congress by January of 1967. The Federal share of the cost of individual projects is not to exceed 50 percent, unless the State cannot meet the matching requirements, in which case the Federal share cannot exceed 70 percent.

## DEMONSTRATION HEALTH FACILITIES

Section 4. To demonstrate the value of adequate health facilities to the economic development of eligible areas, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction and equipment of multicounty demonstration health facilities, including: hospitals; regional health diagnostic and treatment centers; and other facilities necessary to health of persons in any eligible area. The amount of funds authorized to be appropriated for this purpose is \$82 million for the period ending June 30, 1967.

## TIMBER DEVELOPMENT ORGANIZATIONS

Section 5. To enable any eligible area to more fully benefit from timber stands which is one of its prime assets, the Secretary of Agriculture is authorized to provide technical assistance in the organization and operation, under State law, of private nonprofit timber development organizations. These organizations will have as their objective the carrying out of programs to provide improved timber productivity

through (a) continuity of management, cutting practices, and marketing; (b) physical or administrative consolidation of small holdings; (c) management of forest lands donated for demonstrations of good forest management; and (d) establishment, through donations, of a permanent fund to carry out the educational works of the organization. The Secretary is also authorized to provide not more than one-half of the initial capital requirements of these organizations, through loans under the Consolidated Farmers Home Administration Act of 1961. Not to exceed \$10 million may be used for carrying out this section, for the period ending June 30, 1967.

#### MINING AREA RESTORATION

Section 6. In this section, the Secretary of the Interior is given broadened authority to (a) seal and fill in abandoned coal mines; (b) execute projects for extinguishing underground and outcrop mine fires; and (c) expand and accelerate the restoration of fish and wildlife habitat destroyed by strip mine and stream pollution from mine drainage. The section authorizes the Secretary of the Interior, in cooperation with appropriate Federal, State, and local agencies, to carry out a comprehensive study for the purpose of reclaiming and rehabilitating strip and surface coal and other mining areas of the United States and to report to the Congress by July 1, 1967. The Federal share of mining area restoration projects is increased for this program to cover up to 75 percent of the total project costs; \$43 million in Federal outlay for the period ending June 30, 1967, is authorized for this part of the program.

#### WATER RESOURCES STUDY

Section 7. This section authorizes a study of all authorized projects and all surveys authorized for projects for flood control, navigation, and beach erosion control, the construction of which will be economically beneficial to eligible areas to determine priorities of construction and to determine the need for authorization of new projects. The Secretary of the Army would submit a report of the study to the Congress not later than June 30, 1967, together with his recommendations for priorities of the making of surveys and the construction of projects that will be economically beneficial to eligible areas. The sum of \$5 million is authorized to carry on this work.

#### AMENDMENTS TO HOUSING ACT OF 1954

Section 8. This section provides 75 percent planning grants to States, local development districts, and other governmental agencies to carry out programs under the act. All funds for this section will come from the Housing and Home Finance Agency's budget.

#### VOCATIONAL EDUCATION FACILITIES

Section 9. A Federal supplement of \$32 million for 2 fiscal years is authorized in addition to the construction funds provided by the Vocational Education Act because of the shortage of vocational school



facilities in many eligible areas. Funds will be made available under the same terms as contained in that act.

#### SEWAGE TREATMENT WORKS

Section 10. In addition to the authorizations for appropriations made in the Federal Water Pollution Control Act, \$12 million in Federal funds is authorized by this section for the period ending June 30, 1967. These funds will be made available to eligible areas nationwide through the Secretary of Health, Education, and Welfare under the terms contained in that act.

#### MAINTENANCE OF EFFORT

Section 11. No State or political subdivision thereof may receive benefits under this bill if the total expenditures of State funds, exclusive of Federal expenditures, for the benefit of portions of the State which are designated as eligible areas falls below the average level of such expenditures for the last 2 full fiscal years preceding the date of enactment of this act, exclusive of the State's share of interstate highway construction.

#### CONSENT OF STATES

Section 12. This section insures that no State will be required to engage in or accept any program without its consent. The consent of a State to a program for which assistance is provided under this act will be given by that State in the same manner in which the State consents to receive assistance under the basic statute authorizing that assistance.

#### PROGRAM IMPLEMENTATION AND PROJECT APPROVAL

Section 13. This section provides that the Secretaries administering the several programs under the act must consult with the Governor of the State or officials designated by him, and obtain recommendations and approval of such State officials for each program, and approval of each project before Federal assistance is made available therefor. This section also provides that Federal assistance will not be made available for any project in an area unless such area is an "eligible area" on the date the Secretary gives final approval of such project for Federal assistance, except to complete projects that are underway.

#### PROGRAM DEVELOPMENT CRITERIA

Section 14. In order to clearly establish the intent of the Congress, specific criteria are set forth in this section which the States are to consider in making program and project recommendations. These criteria include: the relationship of the project to overall economic development, including its location in an area determined by the State to have the greatest potential for growth; the population and area that the project or class of project serves, including the

unemployment rate and per capita income of the people of the area; the financial resources available to the State and political subdivision thereof which are undertaking the project; the importance of the project in relation to other projects seeking aid; the prospects that the project will make a long-range contribution to economic growth. There is also a specific requirement that the funds not be used to finance the cost of commercial facilities, industrial facilities, machinery, or working capital, or the generation, production, transmission, or distribution of gas or electricity.

#### LOCAL DEVELOPMENT DISTRICTS—CERTIFICATION

Section 15. This section sets forth a definition of those local units to which assistance will be extended through the appropriate State governments. The State government will certify local development districts. Such local development districts shall be nonprofit organizations certified by their States as units having a charter or authority including the economic development of eligible areas.

#### GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS

Section 16. The Secretary of Commerce is authorized to make grants either directly or through appropriate public or private organizations to provide funds for investigations, research, studies, and demonstration projects to further the purposes of this act. No funds can be provided for construction purposes under this section. The Secretary is also authorized to make grants for the administrative expenses of local development districts of up to 75 percent of their expenses attributable to the economic development of eligible areas. Such grants shall not be made to any one district for a period in excess of 3 years. Eleven million dollars is provided to carry out this section for the period ending June 30, 1967.

#### ANNUAL REPORT

Section 17. Each secretary of an executive department administering any program under this act shall prepare and submit to the Governor of each State and to the President, for transmittal to the Congress, a report on the activities carried out under this act during each year. This report is to be submitted not later than 6 months after the close of each fiscal year.

#### AUTHORIZATION OF APPROPRIATIONS

Section 18. In addition to authorizations for the economic development highway program, authorizes the appropriation of \$195 million for the period ending June 30, 1967, for all other programs under the act.

#### APPLICABLE LABOR STANDARDS

Section 19. This section provides that the construction projects assisted by this act will be covered by standard Davis-Bacon (local prevailing wage) provisions.



## DEFINITION OF ELIGIBLE AREA

Section 20. This section provides that the term "eligible area" shall have the same meaning as given it in section 3(a) of the Public Works Acceleration Act.

## SEVERABILITY

Section 21. This is the usual clause used to protect other sections of a bill in case one section is held to be invalid.

## TERMINATION

Section 22. Provides that the act will cease to be in effect on July 1, 1971.

WILLIAM C. CRAMER.  
JAMES R. GROVER, Jr.  
JAMES C. CLEVELAND.  
DON H. CLAUSEN.  
ROBERT C. McEWEN.

## ADDITIONAL VIEWS OF MR. CLEVELAND

As indicated in this report, I concur with the minority views on S. 3 and their additional views.

Concepts of fairness, however, impel me to these additional views. As a member of the special subcommittee which considered S. 3, the essential unfairness of this legislation has been etched sharply on my conscience. Many parts of my congressional district need better roads, hospital facilities, sewage plants, and vocational training centers. Timber development and water resources development play vital roles in much of my district in western and northern New Hampshire.

Administration witnesses again and again stated to the subcommittee that the real purpose of this legislation is to provide those basic facilities, to create centers of prosperity in the Appalachian region. The purpose is to make these communities so attractive that new industries will be drawn to them by the magnetic attraction of community facilities and good roads furnished by the Federal taxpayers of the entire Nation.

Thus, this act is essentially an act of piracy—job piracy and industrial piracy. Among the victims of this crime are many communities in New Hampshire's Second Congressional District.

For many years, I have devoted countless hours and unremitting effort with many other good citizens of New Hampshire to improve our economy by attracting new industries and resources to our State. I cannot sit silently by and witness the appalling unfairness of this legislation.

New industries that will be drawn to Appalachia must come from some place. These will be new industries that cannot be brought to New Hampshire because with the Federal Government directly financing our competitors with our own tax dollars, in spite of our many advantages, the struggle becomes hopelessly unfair.

As administration witnesses described the rural decline and the out-migration that characterizes parts of the Appalachian region, I was reminded, of course, of many communities in my own district. In fact, most of my district is in the Appalachian Mountains. Indeed, the crowning glory of the Appalachian Mountains can be found in the White Mountains of New Hampshire, the proud Presidential Range and Mount Washington.

That better roads will lead to improved economic development, there is little doubt. This legislation, however, for the first time, devotes Federal highway funds to a Federal highway system on a narrow, partisan, discriminatory, and regional basis. The shocking unfairness of this is glossed over by talk about the needs of an area. When asked why this area was chosen, I was told by one witness that



it was a "big" area. This is an ominous and foreboding statement to one who represents in the U.S. Congress a small area but one of which I am justifiably and fiercely proud.

JAMES C. CLEVELAND.













89<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**S. 3**

[Report No. 51]

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 1965

Referred to the Committee on Public Works

FEBRUARY 17, 1965

Committed to the Committee of the Whole House on the State of the Union  
and ordered to be printed

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**AN ACT**

To provide public works and economic development programs  
and the planning and coordination needed to assist in devel-  
opment of the Appalachian region.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Appalachian Regional  
4       Development Act of 1965".

5               FINDINGS AND STATEMENT OF PURPOSE

6       SEC. 2. The Congress hereby finds and declares that the  
7       Appalachian region of the United States, while abundant in  
8       natural resources and rich in potential, lags behind the rest  
9       of the Nation in its economic growth and that its people  
10      have not shared properly in the Nation's prosperity. The

1 region's uneven past development, with its historical reliance  
2 on a few basic industries and a marginal agriculture, has  
3 failed to provide the economic base that is a vital prerequi-  
4 site for vigorous, self-sustaining growth. The State and  
5 local governments and the people of the region understand  
6 their problems and have been working and will continue to  
7 work purposefully toward their solution. The Congress  
8 recognizes the comprehensive report of the President's Appa-  
9 lachian Regional Commission documenting these findings and  
10 concludes that regionwide development is feasible, desirable,  
11 and urgently needed. It is, therefore, the purpose of this  
12 Act to assist the region in meeting its special problems, to  
13 promote its economic development, and to establish a frame-  
14 work for joint Federal and State efforts toward providing the  
15 basic facilities essential to its growth and attacking its com-  
16 mon problems and meeting its common needs on a coordi-  
17 nated and concerted regional basis. The public investments  
18 made in the region under this Act shall be concentrated in  
19 areas where there is a significant potential for future growth,  
20 and where the expected return on public dollars invested  
21 will be the greatest. The States will be responsible for  
22 recommending local and State projects, within their borders,  
23 which will receive assistance under this Act. As the region  
24 obtains the needed physical and transportation facilities and  
25 develops its human resources, the Congress expects that



1 the region will generate a diversified industry, and that the  
2 region will then be able to support itself, through the work-  
3 ings of a strengthened free enterprise economy.

## 4 TITLE I—THE APPALACHIAN REGIONAL 5 COMMISSION

### 6 MEMBERSHIP AND VOTING

7 SEC. 101. (a) There is hereby established an Appa-  
8 lachian Regional Commission (hereinafter referred to as  
9 the "Commission") which shall be composed of one Fed-  
10 eral member, hereinafter referred to as the "Federal Co-  
11 chairman", appointed by the President by and with the  
12 advice and consent of the Senate, and one member from each  
13 participating State in the Appalachian region. The Federal  
14 Cochairman shall be one of the two Cochairmen of the Com-  
15 mission. Each State member may be the Governor, or his  
16 designee, or such other person as may be provided by the  
17 law of the State which he represents. The State members of  
18 the Commission shall elect a Cochairman of the Commission  
19 from among their number.

20 (b) Except as provided in section 105, decisions by the  
21 Commission shall require the affirmative vote of the Federal  
22 Cochairman and of a majority of the State members (exclu-  
23 sive of members representing States delinquent under sec-  
24 tion 105). In matters coming before the Commission, the  
25 Federal Cochairman shall, to the extent practicable, con-

1 sult with the Federal departments and agencies having an  
2 interest in the subject matter.

3 (c) Each State member shall have an alternate, ap-  
4 pointed by the Governor or as otherwise may be provided  
5 by the law of the State which he represents. The President,  
6 by and with the advice and consent of the Senate, shall ap-  
7 point an alternate for the Federal Cochairman. An alter-  
8 nate shall vote in the event of the absence, death, disability,  
9 removal, or resignation of the State or Federal representa-  
10 tive for which he is an alternate.

11 (d) The Federal Cochairman shall be compensated by  
12 the Federal Government at level IV of the Federal Execu-  
13 tive Salary Schedule of the Federal Executive Salary Act  
14 of 1964. His alternate shall be compensated by the Federal  
15 Government at not to exceed the maximum scheduled rate for  
16 grade GS-18 of the Classification Act of 1949, as amended,  
17 and when not actively serving as an alternate for the Federal  
18 Cochairman shall perform such functions and duties as are  
19 delegated to him by the Federal Cochairman. Each State  
20 member and his alternate shall be compensated by the State  
21 which they represent at the rate established by the law of  
22 such State.

#### 23 FUNCTIONS OF THE COMMISSION

24 SEC. 102. In carrying out the purposes of this Act,  
25 the Commission shall—



1           (1) develop, on a continuing basis, comprehensive  
2           and coordinated plans and programs and establish pri-  
3           orities thereunder, giving due consideration to other  
4           Federal, State, and local planning in the region;

5           (2) conduct and sponsor investigations, research,  
6           and studies, including an inventory and analysis of the  
7           resources of the region, and, in cooperation with Federal,  
8           State, and local agencies, sponsor demonstration projects  
9           designed to foster regional productivity and growth;

10          (3) review and study, in cooperation with the  
11          agency involved, Federal, State, and local public and  
12          private programs and, where appropriate, recommend  
13          modifications or additions which will increase their effec-  
14          tiveness in the region;

15          (4) formulate and recommend, where appropriate,  
16          interstate compacts and other forms of interstate coop-  
17          eration, and work with State and local agencies in de-  
18          veloping appropriate model legislation;

19          (5) encourage the formation of local development  
20          districts;

21          (6) encourage private investment in industrial,  
22          commercial, and recreational projects;

23          (7) serve as a focal point and coordinating unit for  
24          Appalachian programs;

25          (8) provide a forum for consideration of problems

1 of the region and proposed solutions and establish and  
2 utilize, as appropriate, citizens and special advisory  
3 councils and public conferences; and

4 (9) advise the Secretary of Commerce on appli-  
5 cations for grants for administrative expenses to local  
6 development districts.

7 RECOMMENDATIONS

8 SEC. 103. The Commission may, from time to time,  
9 make recommendations to the President and to the State  
10 Governors and appropriate local officials with respect to—

11 (1) the expenditure of funds by Federal, State,  
12 and local departments and agencies in the region in  
13 the fields of natural resources, agriculture, education,  
14 training, health and welfare, and other fields related  
15 to the purposes of this Act; and

16 (2) such additional Federal, State, and local legis-  
17 lation or administrative actions as the Commission  
18 deems necessary to further the purposes of this Act.

19 LIAISON BETWEEN FEDERAL GOVERNMENT AND THE  
20 COMMISSION

21 SEC. 104. The President shall provide effective and con-  
22 tinuing liaison between the Federal Government and the  
23 Commission and a coordinated review within the Federal  
24 Government of the plans and recommendations submitted  
25 by the Commission pursuant to sections 102 and 103.



## ADMINISTRATIVE EXPENSES OF THE COMMISSION

SEC. 105. (a) For the period ending on June 30 of the second full Federal fiscal year following the date of enactment of this Act, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid equally by the Federal Government and the States in the region. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

(b) Not to exceed \$2,200,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

## ADMINISTRATIVE POWERS OF COMMISSION

SEC. 106. To carry out its duties under this Act, the Commission is authorized to—

(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions.

(2) appoint and fix the compensation of an execu-

1        tive director and such other personnel as may be neces-  
2        sary to enable the Commission to carry out its func-  
3        tions, except that such compensation shall not exceed  
4        the salary of the alternate to the Federal Cochair-  
5        man on the Commission as provided in section 101.  
6        No member, alternate, officer, or employee of the Com-  
7        mission, other than the Federal Cochairman on the  
8        Commission, his staff, and his alternate and Federal  
9        employees detailed to the Commission under paragraph  
10       (3) shall be deemed a Federal employee for any  
11       purpose.

12                (3) request the head of any Federal department or  
13       agency (who is hereby so authorized) to detail to  
14       temporary duty with the Commission such personnel  
15       within his administrative jurisdiction as the Commission  
16       may need for carrying out its functions, each such detail  
17       to be without loss of seniority, pay, or other employee  
18       status.

19                (4) arrange for the services of personnel from any  
20       State or local government or any subdivision or agency  
21       thereof, or any intergovernmental agency.

22                (5) make arrangements, including contracts, with  
23       any participating State government for inclusion in a  
24       suitable retirement and employee benefit system of such  
25       of its personnel as may not be eligible for, or continue in,



1 another governmental retirement or employee benefit  
2 system, or otherwise provide for such coverage of its  
3 personnel. The Civil Service Commission of the United  
4 States is authorized to contract with the Commission for  
5 continued coverage of Commission employees, who at  
6 date of Commission employment are Federal employees,  
7 in the retirement program and other employee benefit  
8 programs of the Federal Government.

9 (6) accept, use, and dispose of gifts or donations  
10 of services or property, real, personal, or mixed, tangible  
11 or intangible.

12 (7) enter into and perform such contracts, leases,  
13 cooperative agreements, or other transactions as may be  
14 necessary in carrying out its functions and on such  
15 terms as it may deem appropriate, with any department,  
16 agency, or instrumentality of the United States or with  
17 any State, or any political subdivision, agency, or in-  
18 strumentality thereof, or with any person, firm, asso-  
19 ciation, or corporation.

20 (8) maintain a temporary office in the District of  
21 Columbia and establish a permanent office at such a  
22 central and appropriate location as it may select and  
23 field offices at such other places as it may deem appro-  
24 priate.

1           (9) take such other actions and incur such other  
2           expenses as may be necessary or appropriate.

## 3 INFORMATION

4        SEC. 107. In order to obtain information needed to  
5 carry out its duties, the Commission shall—

6           (1) hold such hearings, sit and act at such times  
7       and places, take such testimony, receive such evidence,  
8       and print or otherwise reproduce and distribute so much  
9       of its proceedings and reports thereon as it may deem  
10      advisable, a Cochairman of the Commission, or any  
11      member of the Commission designated by the Commis-  
12      sion for the purpose, being hereby authorized to admin-  
13      ister oaths when it is determined by the Commission  
14      that testimony shall be taken or evidence received under  
15      oath;

(2) arrange for the head of any Federal, State, or local department or agency (who is hereby so authorized to the extent not otherwise prohibited by law) to furnish to the Commission such information as may be available to or procurable by such department or agency; and

(3) keep accurate and complete records of its doings  
and transactions which shall be made available for public  
inspection, and for the purpose of audit and examina-  
tion by the Comptroller General or his duly authorized  
representatives.



## PERSONAL FINANCIAL INTERESTS

SEC. 108. (a) Except as permitted by subsection (b) hereof, no State member or alternate and no officer or employee of the Commission shall participate personally and substantially as member, alternate, officer, or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization (other than a State or political subdivision thereof) in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Any person who shall violate the provisions of this subsection shall be fined not more than \$10,000, or imprisoned not more than two years, or both.

(b) Subsection (a) hereof shall not apply if the State member, alternate, officer, or employee first advises the Commission of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter and

1 makes full disclosure of the financial interest and receives  
2 in advance a written determination made by the Commis-  
3 sion that the interest is not so substantial as to be deemed  
4 likely to affect the integrity of the services which the Com-  
5 mission may expect from such State member, alternate,  
6 officer, or employee.

7 (c) No State member or alternate shall receive any  
8 salary, or any contribution to or supplementation of salary  
9 for his services on the Commission from any source other  
10 than his State. No person detailed to serve the Commission  
11 under authority of paragraph (4) of section 106 shall  
12 receive any salary or any contribution to or supplementation  
13 of salary for his services on the Commission from any source  
14 other than the State, local, or intergovernmental department  
15 or agency from which he was detailed or from the Commis-  
16 sion. Any person who shall violate the provisions of this  
17 subsection shall be fined not more than \$5,000, or impris-  
18 oned not more than one year, or both.

19 (d) Notwithstanding any other subsection of this sec-  
20 tion, the Federal Cochairman and his alternate on the Com-  
21 mission and any Federal officers or employees detailed to  
22 duty with it pursuant to paragraph (3) of section 106 shall  
23 not be subject to any such subsection but shall remain sub-  
24 ject to sections 202 through 209 of title 18, United States  
25 Code.



1       (e) The Commission may, in its discretion, declare void  
2 and rescind any contract, loan, or grant of or by the Com-  
3 mission in relation to which it finds that there has been a  
4 violation of subsection (a) or (c) of this section, or any of  
5 the provisions of sections 202 through 209, title 18, United  
6 States Code.

## 7 TITLE II—SPECIAL APPALACHIAN PROGRAMS

### 8 PART A—NEW PROGRAMS

#### 9 APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

10 SEC. 201. (a) The Secretary of Commerce (hereafter  
11 in this section referred to as the “Secretary”) is authorized  
12 to assist in the construction of an Appalachian development  
13 highway system serving the Appalachian region (the length  
14 of which shall not exceed two thousand three hundred and  
15 fifty miles. In addition thereto, there are authorized to be  
16 constructed not in excess of one thousand miles of local access  
17 roads, that will serve specific recreational, residential, com-  
18 mercial, industrial, or other like facilities or will facilitate a  
19 school consolidation program). The system, in conjunc-  
20 tion with the Interstate System and other Federal-aid  
21 highways in the region will provide a highway system  
22 which will open up an area or areas with a developmental  
23 potential where commerce and communication have been  
24 inhibited by lack of adequate access. The provisions of title  
25 23, United States Code, that are applicable to Federal-aid

1 primary highways, and which the Secretary determines are  
2 not inconsistent with this Act, shall apply to the Appalachian  
3 development highway system, and the local access  
4 roads.

5 (b) As soon as feasible, the Commission shall submit  
6 to the Secretary its recommendations with respect to (1) the  
7 general corridor location and termini of the development  
8 highways, (2) the designation of local access roads to be con-  
9 structed, (3) priorities for construction of the local access  
10 roads and of the major segments of the development high-  
11 ways, and (4) other criteria for the program authorized by  
12 this section. Before any State member participates in or  
13 votes on such recommendations, he shall have obtained the  
14 recommendations of the State highway department of the  
15 State which he represents.

16 (c) The Secretary shall have authority to approve in  
17 whole or in part such recommendations or to require modifi-  
18 cations or revisions thereof. In no event shall the Secre-  
19 tary approve any recommendations for any construction  
20 which would require for its completion the expenditure of  
21 Federal funds (other than funds available under title 23,  
22 United States Code) in excess of the appropriation authori-  
23 zations in subsection (g). On its completion each develop-  
24 ment highway not already on the Federal-aid primary sys-



1 tem shall be added to such system and shall be required to  
2 be maintained by the State.

3 (d) In the construction of highways and roads author-  
4 ized under this section, the States may give special prefer-  
5 ence to the use of mineral resource materials indigenous to  
6 the Appalachian region.

7 (e) For the purposes of research and development in  
8 the use of coal and coal products in highway construction  
9 and maintenance, the Secretary is authorized to require each  
10 participating State, to the maximum extent possible, to use  
11 coal derivatives in the construction of not to exceed 10 per  
12 centum of the roads authorized under this Act.

13 (f) Federal assistance to any construction project under  
14 this section shall not exceed 50 per centum of the costs of  
15 such project, unless the Secretary determines, pursuant to  
16 the recommendation of the Commission, that assistance in  
17 excess of such percentage is required in furtherance of the  
18 purposes of this Act, but in no event shall such Federal  
19 assistance exceed 70 per centum of such costs.

20 (g) To carry out this section, there is hereby authorized  
21 to be appropriated \$840,000,000.

#### 22 DEMONSTRATION HEALTH FACILITIES

23 SEC. 202. (a) In order to demonstrate the value of  
24 adequate health and medical facilities to the economic devel-

1 opment of the region, the Secretary of Health, Education,  
2 and Welfare is authorized to make grants for the construc-  
3 tion, equipment, and operation of multicounty demonstration  
4 health facilities, including hospitals, regional health diagnos-  
5 tic and treatment centers, and other facilities necessary to  
6 health. Grants for such construction (including initial  
7 equipment) shall be made in accordance with the applicable  
8 provisions of title VI of the Public Health Service Act (42  
9 U.S.C. 291-291z) and the Mental Retardation Facilities  
10 and Community Mental Health Centers Construction Act of  
11 1963 (77 Stat. 282), without regard to any provisions there-  
12 in relating to appropriation authorization ceiling or to allot-  
13 ments among the States. Grants under this section shall  
14 be made solely out of funds specifically appropriated for  
15 the purpose of carrying out this Act and shall not be taken  
16 into account in the computation of the allotments among  
17 the States made pursuant to any other provision of law.

18 (b) No grant under this section for construction (in-  
19 cluding initial equipment) shall exceed 80 per centum of  
20 the cost of the project. Not to exceed \$41,000,000 of the  
21 funds authorized in section 401 shall be available for con-  
22 struction grants under this section.

23 (c) Grants under this section for operation (including  
24 equipment other than initial equipment) of a project may  
25 be made up to 100 per centum of the costs thereof for the



1 two-year period beginning on the first day such project is  
2 in operation as a health facility. For the next three years  
3 of operations such grants shall not exceed 50 per centum  
4 of such costs. No grants for operation of a project shall be  
5 made after five years following the commencement of such  
6 operations. Not to exceed \$28,000,000 of the funds author-  
7 ized in section 401 of this Act shall be available for operating  
8 grants under this section.

9 LAND STABILIZATION, CONSERVATION, AND EROSION

10 CONTROL

11 SEC. 203. (a) In order to provide for the control and  
12 prevention of erosion and sediment damages in the Appa-  
13 lachian region and to promote the conservation and develop-  
14 ment of the soil and water resources of the region, the Secre-  
15 tary of Agriculture is authorized to enter into agreements of  
16 not more than ten years with landowners, operators, and  
17 occupiers, individually or collectively, in the Appalachian  
18 region determined by him to have control for the period of the  
19 agreement of the lands described therein, providing for land  
20 stabilization, erosion and sediment control, and reclamation  
21 through changes in land use, and conservation treatment in-  
22 cluding the establishment of practices and measures for the  
23 conservation and development of soil, water, woodland, wild-  
24 life, and recreation resources.

1       (b) The landowner, operator, or occupier shall furnish  
2 to the Secretary of Agriculture a conservation and develop-  
3 ment plan setting forth the appropriate and safe land uses  
4 and conservation treatment mutually agreed by the Secretary  
5 and the landowner operator, or occupier to be needed on the  
6 lands for which the plan was prepared.

7       (c) Such plan shall be incorporated in an agreement  
8 under which the landowner, operator, or occupier shall agree  
9 with the Secretary of Agriculture to carry out the land uses  
10 and conservation treatment provided for in such plan on the  
11 lands described in the agreement in accordance with the terms  
12 and conditions thereof.

13       (d) In return for such agreement by the landowner,  
14 operator, or occupier the Secretary of Agriculture shall be  
15 authorized to furnish financial and other assistance to such  
16 landowner, operator, or occupier in such amounts and subject  
17 to such conditions as the Secretary determines are appropri-  
18 ate and in the public interest for the carrying out of the land  
19 uses and conservation treatment set forth in the agreement:  
20 *Provided*, That grants hereunder shall not exceed 80 per  
21 centum of the cost of carrying out such land uses and con-  
22 servation treatment on fifty acres of land occupied by such  
23 owner, operator, or occupier.

24       (e) The Secretary of Agriculture may terminate any  
25 agreement with a landowner, operator, or occupier by mutual



1 agreement if the Secretary determines that such termination  
2 would be in the public interest, and may agree to such mod-  
3 ification of agreements previously entered into hereunder as  
4 he deems desirable to carry out the purposes of this section or  
5 to facilitate the practical administration of the program  
6 authorized herein.

7 (f) Notwithstanding any other provision of law, the  
8 Secretary of Agriculture, to the extent he deems it desirable  
9 to carry out the purposes of this section, may provide in any  
10 agreement hereunder for (1) preservation for a period not to  
11 exceed the period covered by the agreement and an equal  
12 period thereafter of the cropland, crop acreage, and allotment  
13 history applicable to land covered by the agreement for the  
14 purpose of any Federal program under which such history is  
15 used as a basis for an allotment or other limitation on the  
16 production of such crop; or (2) surrender of any such  
17 history and allotments.

18 (g) The Secretary of Agriculture shall be authorized to  
19 issue such rules and regulations as he determines are neces-  
20 sary to carry out the provisions of this section.

21 (h) In carrying out the provisions of this section, the  
22 Secretary of Agriculture shall utilize the services of the Soil  
23 Conservation Service, and the State and local committees  
24 provided for in section 8 (b) of the Soil Conservation and  
25 Domestic Allotment Act (16 U.S.C. 590 (b) ), and is

1 authorized to utilize the facilities, services, and authorities of  
2 the Commodity Credit Corporation. The Corporation shall  
3 not make any expenditures to carry out the provisions of  
4 this subsection unless funds specifically appropriated for such  
5 purpose have been transferred to it.

6 (i) Not to exceed \$17,000,000 of the funds authorized  
7 in section 401 of this Act shall be available to carry out this  
8 section.

9 TIMBER DEVELOPMENT ORGANIZATIONS

10 SEC. 204. (a) In order that the region shall more fully  
11 benefit from the timber stands that are one of its prime  
12 assets, the Secretary of Agriculture is authorized to—

13 (1) provide technical assistance in the organization  
14 and operation, under State law, of private timber de-  
15 velopment organizations having as their objective the  
16 carrying out of timber development programs to im-  
17 prove timber productivity and quality, and increase  
18 returns to landowners through establishment of private  
19 nonprofit corporations, which on a self-supporting basis  
20 may provide (A) continuity of management, good  
21 cutting practices, and marketing services, (B) physical  
22 consolidation of small holdings or administrative con-  
23 solidation for efficient management under long-term  
24 agreement, (C) management of forest lands, donated  
25 to the timber development organizations for demon-



1 strating good forest management, on a profitable and  
2 taxpaying basis, and (D) establishment of a permanent  
3 fund for perpetuation of the work of the corporations  
4 to be composed of donations, real or personal, for edu-  
5 cational purposes.

6 (2) provide not more than one-half of the initial  
7 capital requirements of such timber development orga-  
8 nizations through loans under the applicable provisions  
9 of the Consolidated Farmers Home Administration Act  
10 of 1961 (7 U.S.C. 1926 et seq.). Such loans shall not  
11 be used for the construction or acquisition of facilities  
12 for manufacturing, processing, or marketing forest  
13 products, or for physical consolidation of small timber  
14 holdings authorized by (1) (B) above except for the  
15 establishment of demonstration units.

16 (b) Not to exceed \$5,000,000 of the funds authorized  
17 in section 401 of this Act shall be available to carry out this  
18 section.

#### 19 MINING AREA RESTORATION

20 SEC. 205. (a) In order to further the economic devel-  
21 opment of the region by rehabilitating areas presently dam-  
22 aged by deleterious mining practices, the Secretary of the  
23 Interior is authorized to—

24 (1) make financial contributions to States in the  
25 region to seal and fill voids in abandoned coal mines,

1 and to reclaim and rehabilitate existing strip and surface  
2 mine areas, in accordance with provisions of the Act of  
3 July 15, 1955 (30 U.S.C. 571 et seq.), to the extent  
4 applicable, without regard to section 2 (b) thereof (30  
5 U.S.C. 572 (b) ) or to any provisions therein limiting  
6 assistance to anthracite coal formation, or to the Com-  
7 monwealth of Pennsylvania. Grants under this para-  
8 graph shall be made wholly out of funds specifically  
9 appropriated for the purposes of carrying out this Act.

10 (2) plan and execute projects for extinguishing  
11 underground and outcrop mine fires in the region in  
12 accordance with the provisions of the Act of August 31,  
13 1954 (30 U.S.C. 551 et seq.), without regard to any  
14 provisions therein relating to annual appropriation au-  
15 thorization ceilings. Grants under this paragraph shall  
16 be made solely out of funds specifically appropriated  
17 for the purpose of carrying out this Act.

18 (3) expand and accelerate fish and wildlife restora-  
19 tion projects in the region in accordance with the provi-  
20 sions of the Act of September 2, 1937 (16 U.S.C. 669  
21 et seq.), and the Act of August 9, 1950 (16 U.S.C.  
22 777 et seq.), without regard to any provisions therein  
23 relating to apportionments among the States and to  
24 limitations on the availability of funds. The expenses  
25 of projects under this paragraph shall be paid solely out



1 of funds specifically appropriated for the purpose of  
2 carrying out this Act, and shall not be taken into account  
3 in the computation of the apportionments among the  
4 States pursuant to any other provisions of law.

5 (b) For the fiscal years 1966 and 1967, notwithstand-  
6 ing any other provision of law, the Federal share of mining  
7 area restoration projects carried out under subsection (a) of  
8 this section and conducted on lands other than federally  
9 owned lands shall not exceed 75 per centum of the total cost  
10 thereof.

11 (c) The Congress hereby declares its intent to provide  
12 for a study of a comprehensive, long-range program  
13 for the purpose of reclaiming and rehabilitating strip and sur-  
14 face mining areas in the United States. To this general end,  
15 the Secretary of the Interior shall, in full cooperation with  
16 the Secretary of Agriculture, the Tennessee Valley Authority,  
17 and other appropriate Federal, State, and local departments  
18 and agencies, and with the Commission, make a survey and  
19 study of strip and surface mining operations and their effects  
20 in the United States. The Secretary of the Interior shall  
21 submit to the President his recommendations for a long-range  
22 comprehensive program for reclamation and rehabilitation of  
23 strip and surface mining areas in the United States and for  
24 the policies under which the program should be conducted,  
25 and the President shall submit these to the Congress, together

1 with his recommendations, not later than July 1, 1967. By  
2 July 1, 1966, the Secretary shall make an interim report to  
3 the Commission summarizing his findings to that date on  
4 those aspects of strip and surface mining operations in the  
5 region that are most urgently in need of attention. Such  
6 study and recommendations shall include, but not be limited  
7 to, a consideration of the following matters—

8           (1) the nature and extent of strip and surface min-  
9       ing operations in the United States and the conditions  
10      resulting therefrom;

11          (2) the ownership of the real property involved in  
12      strip and surface mining operations;

13          (3) the effectiveness of past action by States or  
14      local units of government to remedy the adverse effects  
15      of strip and surface mining operation by financial or  
16      regulatory measures, and requirements for appropriate  
17      State legislation, including adequate enforcement thereof,  
18      to provide for proper reclamation and rehabilitation of  
19      areas which may be strip and surface mined in the  
20      future;

21          (4) the public interest in and public benefits which  
22      may result from reclamation, rehabilitation, and appro-  
23      priate development and use of areas subjected to strip  
24      and surface mining operations, including (A) economic  
25      development growth, (B) public recreation, (C) public



1 health and safety, (D) water pollution, stream sedi-  
2 mentation, erosion control, and flood control, (E) high-  
3 way programs, (F) fish and wildlife protection and  
4 restoration, (G) scenic values, and (H) forestry and  
5 agriculture;

6 (5) the appropriate roles of Federal, State, and  
7 private interests in the reclamation and rehabilitation  
8 of strip and surface mining areas and the relative costs  
9 to be borne by each, including specific consideration of  
10 (A) the extent, if any, to which strip and surface mine  
11 operators are unable to bear the cost of remedial action  
12 within the limits imposed by the economics of such  
13 mining activity, and (B) the extent to which the pro-  
14 spective value of lands and other natural resources, after  
15 remedial work has been completed, would be inadequate  
16 to justify the landowners doing the remedial work at  
17 their expense; and

18 (6) the objectives and the total overall costs of a  
19 program for accomplishing the reclamation and reha-  
20 bilitation of existing strip and surface mining areas in  
21 the United States, giving adequate consideration to (A)  
22 the economic benefits in relation to costs, (B) the pre-  
23 ventions of future devastation of reclaimed and rehabili-  
24 tated areas, (C) the avoidance of unwarranted financial  
25 gain to private owners of improved property, and (D)

1       the types of aid required to accomplish such reclamation  
2       and rehabilitation.

3       (d) Not to exceed \$36,500,000 of the funds authorized  
4 in section 401 of this Act shall be available to carry out  
5 this section. No moneys authorized by this Act shall be  
6 expended for the purposes of reclaiming, improving, grading,  
7 seeding, or reforestation of strip-mined areas (except on  
8 lands owned by Federal, State, or local bodies of govern-  
9 ment) until authorized by law after completion of the study  
10 and report to the President as provided in subsection (c)  
11 of this section.

12                                   WATER RESOURCE SURVEY

13       SEC. 206. (a) The Secretary of the Army is hereby  
14 authorized and directed to prepare a comprehensive plan for  
15 the development and efficient utilization of the water and re-  
16 lated resources of the Appalachian region, giving special at-  
17 tention to the need for an increase in the production of eco-  
18 nomic goods and services within the region as a means of  
19 expanding economic opportunities and thus enhancing the  
20 welfare of its people, which plan shall constitute an integral  
21 and harmonious component of the regional economic develop-  
22 ment program authorized by this Act.

23       (b) This plan may recommend measures for the con-  
24 trol of floods, the regulation of the rivers to enhance their  
25 value as sources of water supply for industrial and municipi-



1 pal development, the generation of hydroelectric power, the  
2 prevention of water pollution by drainage from mines, the  
3 development and enhancement of the recreational potentials  
4 of the region, the improvement of the rivers for navigation  
5 where this would further industrial development at less cost  
6 than would the improvement of other modes of transporta-  
7 tion, the conservation and efficient utilization of the land re-  
8 source, and such other measures as may be found necessary  
9 to achieve the objectives of this section.

10 (c) To insure that the plan prepared by the Secretary  
11 of the Army shall constitute a harmonious component of  
12 the regional program, he shall consult with the Commission  
13 and the following: the Secretary of Agriculture, the Secre-  
14 tary of Commerce, the Secretary of Health, Education, and  
15 Welfare, the Secretary of the Interior, the Tennessee Valley  
16 Authority, and the Federal Power Commission.

17 (d) The plan prepared pursuant to this section shall  
18 be submitted to the Commission. The Commission shall sub-  
19 mit the plan to the President with a statement of its views,  
20 and the President shall submit the plan to the Congress with  
21 his recommendations not later than December 31, 1968.

22 (e) The Federal agencies referred to in subsection (c)  
23 of this section are hereby authorized to assist the Secretary  
24 of the Army in the preparation of the plan authorized by this  
25 section, and the Secretary of the Army is authorized to enter

1 into and perform such contracts, leases, cooperative agree-  
2 ments, or other transactions as may be necessary to the  
3 preparation of this plan and on such terms as he may deem  
4 appropriate, with any department, agency, or instrumen-  
5 tality of the United States or with any State, or any political  
6 subdivision, agency, or instrumentality thereof, or with any  
7 person, firm, association, or corporation.

8 (f) The plan to be prepared by the Secretary of the  
9 Army pursuant to this section shall also be coordinated with  
10 all comprehensive river basin plans heretofore or hereafter  
11 developed by United States study commissions, interagency  
12 committees, or similar planning bodies, for those river sys-  
13 tems draining the Appalachian region.

14 (g) Not to exceed \$5,000,000 of the funds authorized  
15 in section 401 of this Act shall be available to carry out  
16 this section.

17 PART B—SUPPLEMENTATIONS AND MODIFICATIONS OF  
18 EXISTING PROGRAMS

19 VOCATIONAL EDUCATION FACILITIES

20 SEC. 211. (a) In order to provide basic facilities to give  
21 the people of the region the training and education they  
22 need to obtain employment, the Secretary of Health, Edu-  
23 cation, and Welfare is authorized to make grants for con-  
24 struction of the school facilities needed for the provision  
25 of vocational education in areas of the region in which such



1 education is not now adequately available. Such grants  
2 shall be made in accordance with the provisions of the Voca-  
3 tional Education Act of 1963 (77 Stat. 403), without re-  
4 gard to any provisions therein relating to appropriation  
5 authorization ceilings or to allotments among the States.  
6 Grants under this section shall be made solely out of funds  
7 specifically appropriated for the purpose of carrying out  
8 this Act, and shall not be taken into account in the com-  
9 putation of the allotments among the States made pursuant  
10 to any other provision of law.

11 (b) Not to exceed \$16,000,000 of the funds authorized  
12 in section 401 of this Act shall be available to carry out  
13 this section.

14 SEWAGE TREATMENT WORKS

15 SEC. 212. (a) In order to provide facilities to assist in  
16 the prevention of pollution of the region's streams and to  
17 protect the health and welfare of its citizens, the Secretary  
18 of Health, Education, and Welfare is authorized to make  
19 grants for the construction of sewage treatment works in  
20 accordance with the provisions of the Federal Water Pollu-  
21 tion Control Act (33 U.S.C. 466 et seq.), without regard  
22 to any provisions therein relating to appropriation author-  
23 ization ceilings or to allotments among the States. Grants  
24 under this section shall be made solely out of funds specifi-  
25 cally appropriated for the purpose of carrying out this Act,

1 and shall not be taken into account in the computation of  
2 the allotments among the States pursuant to any other pro-  
3 vision of law.

4 (b) Not to exceed \$6,000,000 of the funds authorized  
5 in section 401 of this Act shall be available to carry out this  
6 section.

7 AMENDMENTS TO HOUSING ACT OF 1954

8 SEC. 213. (a) Section 701 (a) of the Housing Act of  
9 1954 (40 U.S.C. 461 (a) ) is amended by striking the word  
10 “and” at the end of paragraph (7) , by substituting for the  
11 period at the end of paragraph (8) the phrase “; and”, and  
12 by adding a new paragraph (9) to read as follows:

13 “(9) the Appalachian Regional Commission, es-  
14 tablished by the Appalachian Regional Development  
15 Act of 1965, for comprehensive planning for the Ap-  
16 palachian region as defined by section 403 of such Act.”

17 (b) Section 701 (b) of the Housing Act of 1954 (40  
18 U.S.C. 461 (b) ) , is amended by adding before the period  
19 at the end of the first sentence the following: “, to States  
20 participating in planning for Appalachian regional pro-  
21 grams, for expenses incurred in the course of such planning,  
22 or to the Appalachian Regional Commission”.

23 SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

24 SEC. 214. (a) In order to enable the people, States, and  
25 local communities of the region, including local development



1 districts, to take maximum advantage of Federal grant-in-  
2 aid programs (as hereinafter defined) for which they are  
3 eligible but for which, because of their economic situation,  
4 they cannot supply the required matching share, the Secretary  
5 of Commerce is authorized, pursuant to specific recommenda-  
6 tions of the Commission approved by him and after consulta-  
7 tion with the appropriate Federal officials, to allocate funds  
8 appropriated to carry out this section to the heads of the  
9 departments, agencies, and instrumentalities of the Federal  
10 Government responsible for the administration of such Fed-  
11 eral grant-in-aid programs. Funds so allocated shall be used  
12 for the sole purpose of increasing the Federal contribution  
13 to projects under such programs above the fixed maximum  
14 portion of the cost of such project otherwise authorized by  
15 the applicable law. Funds shall be so allocated for Federal  
16 grant-in-aid programs for which funds are available under  
17 the Act authorizing such programs. Such allocations shall  
18 be available without regard to any appropriation authoriza-  
19 tion ceilings in such Act.

20 (b) The Federal portion of such costs shall not be in-  
21 creased in excess of the percentages established by regula-  
22 tions promulgated by the Secretary of Commerce, and such  
23 regulations shall in no event authorize the Federal portion  
24 of such costs to exceed 80 per centum thereof.

25 (c) The term "Federal grant-in-aid programs" as used

1 in this section means those Federal grant-in-aid programs  
2 authorized by this Act for the construction or equipment of  
3 facilities, and all other Federal grant-in-aid programs author-  
4 ized on or before the effective date of this Act by Acts other  
5 than this Act for the acquisition of land and the construc-  
6 tion or equipment of facilities, including but not limited to  
7 grant-in-aid programs authorized by the following Acts:  
8 Federal Water Pollution Control Act; Watershed Protection  
9 and Flood Prevention Act; title VI of the Public Health  
10 Service Act; Vocational Education Act of 1963; Library  
11 Services Act; Federal Airport Act; part IV of title III of  
12 the Communications Act of 1934; Higher Education Facil-  
13 ities Act of 1963; Land and Water Conservation Fund Act  
14 of 1965; National Defense Education Act of 1958. The  
15 term shall not include (A) the program for the construc-  
16 tion of the development highway system authorized by sec-  
17 tion 201 of this Act or any other program relating to high-  
18 way or road construction, or (B) any other program for  
19 which loans or other Federal financial assistance, except a  
20 grant-in-aid program, is authorized by this or any other Act.

21 (d) Not to exceed \$90,000,000 of the funds authorized  
22 in section 401 of this Act shall be available to carry out this  
23 section.



## PART C—GENERAL PROVISIONS

## MAINTENANCE OF EFFORT

SEC. 221. No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds, exclusive of Federal funds, for the benefit of the area within the State located in the region are maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act. In computing the average level of expenditure for its last two fiscal years, a State's past expenditure for participation in the National System of Interstate and Defense Highways shall not be included. The Commission shall recommend to the President or such Federal officer or officers as the President may designate, a lesser requirement when it finds that a substantial population decrease in that portion of a State which lies within the region would not justify a State expenditure equal to the average level of the last two years or when it finds that a State's average level of expenditure, within an individual program, has been disproportionate to the present need for that portion of the State which lies within the region.

## CONSENT OF STATES

SEC. 222. Nothing contained in this Act shall be interpreted as requiring any State to engage in or accept any program under this Act without its consent.

## PROGRAM IMPLEMENTATION

6 SEC. 223. A program and projects authorized under any  
7 section of this title shall not be implemented until (1) the  
8 Commission has consulted with the appropriate official or  
9 officials concerned with such program and projects as may be  
10 designated by the Governor or Governors of the State or  
11 States involved and has obtained the recommendations of  
12 such official or officials with respect to such program and  
13 projects and (2) plans with respect to such program and  
14 projects have been recommended by the Commission and  
15 have been submitted to and approved or modified by the  
16 President or such Federal officer or officers as the President  
17 may designate.

## PROGRAM DEVELOPMENT CRITERIA

SEC. 224. (a) In developing recommendations on the programs and projects to be given assistance under this Act, and in establishing within those recommendations a priority ranking of the requests for assistance presented to the Commission, the Commission shall follow procedures that will insure consideration of the following factors:

(1) the relationship of the project or class of proj-



ects to overall regional development including its location in an area determined by the State have a significant potential for growth;

(2) the population and area to be served by the project or class of projects including the relative per capita income and the unemployment rates in the area;

(3) the relative financial resources available to the State or political subdivisions or instrumentalities thereof which seek to undertake the project;

(4) the importance of the project or class of projects in relation to other projects or classes of projects which may be in competition for the same funds;

(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic and social development of the area served by the project.

(b) No financial assistance shall be authorized under this Act to be used (1) in relocating any establishment or establishments from one area to another; (2) to finance the cost of industrial plants, commercial facilities, machinery, working capital, or other industrial facilities or to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors; (3) to finance the cost of facilities for the generation, trans-

1 mission, or distribution of electric energy; or (4) to finance  
2 the cost of facilities for the production, transmission, or dis-  
3 tribution of gas (natural, manufactured, or mixed).

#### 4 TITLE III—ADMINISTRATION

##### 5 LOCAL DEVELOPMENT DISTRICTS—CERTIFICATION

6 SEC. 301. For the purposes of this Act, a “local develop-  
7 ment district” shall be an entity certified to the Commission  
8 either by the Governor of the State or States in which such  
9 entity is located, or by the State officer designated by the  
10 appropriate State law to make such certification, as having  
11 a charter or authority that includes the economic develop-  
12 ment of counties or parts of counties or other political sub-  
13 divisions within the region. No entity shall be certified as  
14 a local development district for the purposes of this Act  
15 unless it is one of the following:

16 (1) a nonprofit incorporated body organized or  
17 chartered under the law of the State in which it is  
18 located;

19 (2) a nonprofit agency or instrumentality of a State  
20 or local government;

21 (3) a nonprofit agency or instrumentality created  
22 through an interstate compact; or

23 (4) a nonprofit association or combination of such  
24 bodies, agencies, and instrumentalities.



1 GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DE-  
2 VELOPMENT DISTRICTS AND FOR RESEARCH AND  
3 DEMONSTRATION PROJECTS

4 SEC. 302. (a) The Secretary of Commerce is author-  
5 ized—

6 (1) either directly or through arrangements with  
7 the Commission, to make grants for administrative ex-  
8 penses to local development districts. The amount of  
9 any such grant shall not exceed 75 per centum of such  
10 expenses in any one fiscal year. No grants for adminis-  
11 trative expenses shall be made to a local development  
12 district for a period in excess of three years beginning on  
13 the date the initial grant is made to such development  
14 district. The local contributions for administrative ex-  
15 penses may be in cash or in kind, fairly evaluated, in-  
16 cluding but not limited to space, equipment, and serv-  
17 ices; and

18 (2) either directly or through arrangements with  
19 appropriate public or private organizations (including  
20 the Commission), to provide funds for investigation,  
21 research, studies, and demonstration projects, but not  
22 for construction purposes, which will further the pur-  
23 poses of this Act.

24 (b) Recipients of Federal assistance under the pro-

visions of this section shall, in accordance with regulations to be promulgated by the Secretary of Commerce, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the Secretary of Commerce. The records of the recipient shall be available for audit with respect to such grants by the Secretary of Commerce and the Comptroller General, or their duly authorized representatives.

(c) Not to exceed \$5,500,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

(d) No part of any appropriated funds may be expended pursuant to authorization given by this Act involving any scientific or technological research or development activity unless such expenditure is conditioned upon provisions effective to insure that all information, copyrights, uses, processes, patents, and other developments resulting from that activity will be made freely available to the general public. Nothing contained in this subsection shall deprive the owner of any background patent relating to any such activity, without his consent, of any right which that owner may have under that patent. Whenever any information, copyright, use, process, patent or development resulting from any such research or development activity conducted in whole or in part with appropriated funds expended under authorization of this Act is



1 withheld or disposed of by any person, organization, or  
2 agency in contravention of the provisions of this subsection,  
3 the Attorney General shall institute, upon his own motion or  
4 upon request made by any person having knowledge of perti-  
5 nent facts, an action for the enforcement of the provisions of  
6 this subsection in the district court of the United States for  
7 any judicial district in which any defendant resides, is found,  
8 or has a place of business. Such court shall have jurisdiction  
9 to hear and determine such action, and to enter therein such  
10 orders and decrees as it shall determine to be required to  
11 carry into effect fully the provisions of this subsection.  
12 Process of the district court for any judicial district in any  
13 action instituted under this subsection may be served in any  
14 other judicial district of the United States by the United  
15 States marshal thereof. Whenever it appears to the court in  
16 which any such action is pending that other parties should  
17 be brought before the court in such action, the court may  
18 cause such other parties to be summoned from any judicial  
19 district of the United States.

#### 20 PROJECT APPROVAL

21 SEC. 303. An application for a grant or for any other  
22 assistance for a program or project under this Act shall be  
23 made only by a State, a political subdivision of a State, or  
24 a local development district. Each such application shall be  
25 made through the State member of the Commission repre-

1 sending such applicant, and such State member shall evaluate  
2 such application for approval. Only applications for pro-  
3 grams and projects which are approved by a State member  
4 as meeting the requirements for assistance under the Act  
5 shall be approved for assistance by the Commission.

6 ANNUAL REPORT

7 SEC. 304. Not later than six months after the close of  
8 each fiscal year, the Commission shall prepare and submit  
9 to the Governor of each State in the region and to the Presi-  
10 dent, for transmittal to the Congress, a report on the activi-  
11 ties carried out under this Act during such year.

12 TITLE IV—APPROPRIATIONS AND  
13 MISCELLANEOUS PROVISIONS

14 AUTHORIZATION OF APPROPRIATIONS

15 SEC. 401. In addition to the appropriations authorized  
16 in section 201 for the Appalachian development highway  
17 system, there is hereby authorized to be appropriated for  
18 the period ending June 30, 1967, to be available until  
19 expended, not to exceed \$252,400,000 to carry out this Act.

20 APPLICABLE LABOR STANDARDS

21 SEC. 402. All laborers and mechanics employed by con-  
22 tractors or subcontractors in the construction, alteration, or  
23 repair, including painting and decorating, of projects, build-  
24 ings, and works which are financially assisted through the



1 Federal funds authorized under this Act, shall be paid wages  
 2 at rates not less than those prevailing on similar construc-  
 3 tion in the locality as determined by the Secretary of Labor  
 4 in accordance with the Davis-Bacon Act, as amended (40  
 5 U.S.C. 276a—276a-5). The Secretary of Labor shall have  
 6 with respect to such labor standards, the authority and func-  
 7 tions set forth in Reorganization Plan Numbered 14 of  
 8 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133—  
 9 133z-15), and section 2 of the Act of June 13, 1934, as  
 10 amended (48 Stat. 948, as amended; 40 U.S.C. 276 (c) ).

#### 11 DEFINITION OF APPALACHIAN REGION

12 SEC. 403. As used in this Act, the term “Appalachian  
 13 region” or “the region” means that area of the eastern  
 14 United States consisting of the following counties (including  
 15 any political subdivision located within such area) :

16 In Alabama, the counties of Bibb, Blount, Calhoun,  
 17 Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert,  
 18 Coosa, Cullman, De Kalb, Elmore, Etowah, Fayette,  
 19 Franklin, Jackson, Jefferson, Lauderdale, Lawrence,  
 20 Limestone, Madison, Marion, Marshall, Morgan, Ran-  
 21 dolph, Saint Clair, Shelby, Talladega, Tallapoosa,  
 22 Tuscaloosa, Walker, and Winston;

23 In Georgia, the counties of Banks, Barrow, Bartow,  
 24 Carroll, Catoosa, Chattooga, Cherokee, Dade, Dawson,  
 25 Douglas, Fannin, Floyd, Forsyth, Franklin, Gilmer,

1       Gordon, Gwinnett, Habersham, Hall, Haralson, Heard,  
 2       Jackson, Lumpkin, Madison, Murray, Paulding, Pick-  
 3       ens, Polk, Rabun, Stephens, Towns, Union, Walker,  
 4       White, and Whitfield;

5           In Kentucky, the counties of Adair, Bath, Bell,  
 6       Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton,  
 7       Cumberland, Elliott, Estill, Fleming, Floyd, Garrard,  
 8       Green, Greenup, Harlan, Jackson, Johnson, Knott,  
 9       Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis,  
 10      Lincoln, McCreary, Madison, Magoffin, Martin, Menifee,  
 11      Monroe, Montgomery, Morgan, Owsley, Perry, Pike,  
 12      Powell, Pulaski, Rockcastle, Rowan, Russell, Wayne,  
 13      Whitley, and Wolfe;

14           In Maryland, the counties of Allegany, Garrett, and  
 15      Washington;

16           In North Carolina, the counties of Alexander, Alle-  
 17      ghany, Ashe, Avery, Buncombe, Burke, Caldwell,  
 18      Cherokee, Clay, Davie, Forsyth, Graham, Haywood,  
 19      Henderson, Jackson, McDowell, Macon, Madison,  
 20      Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Tran-  
 21      sylvania, Watauga, Wilkes, Yadkin, and Yancey;

22           In Ohio, the counties of Adams, Athens, Belmont,  
 23      Brown, Carroll, Clermont, Coshocton, Gallia, Guernsey,  
 24      Harrison, Highland, Hocking, Holmes, Jackson, Jeffer-  
 25      son, Lawrence, Meigs, Monroe, Morgan, Muskingum,



1 Noble, Perry, Pike, Ross, Scioto, Tuscarawas, Vinton,  
2 and Washington;

3 In Pennsylvania, the counties of Allegheny, Arm-  
4 strong, Beaver, Bedford, Blair, Bradford, Butler,  
5 Cambria, Cameron, Carbon, Centre, Clarion, Clear-  
6 field, Clinton, Columbia, Crawford, Elk, Erie, Fayette,  
7 Forest, Fulton, Greene, Huntingdon, Indiana, Jefferson,  
8 Juniata, Lackawanna, Lawrence, Luzerne, Lycoming,  
9 McKean, Mercer, Mifflin, Monroe, Montour, North-  
10 umberland, Perry, Pike, Potter, Schuylkill, Snyder,  
11 Somerset, Sullivan, Susquehanna, Tioga, Union,  
12 Venango, Warren, Washington, Wayne, Westmoreland,  
13 and Wyoming;

14 In South Carolina, the counties of Anderson, Chero-  
15 kee, Greenville, Oconee, Pickens, and Spartanburg;

16 In Tennessee, the counties of Anderson, Bledsoe,  
17 Blount, Bradley, Campbell, Carter, Claiborne, Clay,  
18 Cocke, Coffee, Cumberland, De Kalb, Fentress,  
19 Franklin, Grainger, Greene, Grundy, Hamblen,  
20 Hamilton, Hancock, Hawkins, Jackson, Jefferson,  
21 Johnson, Knox, Loudon, McMinn, Macon, Marion,  
22 Meigs, Monroe, Morgan, Overton, Pickett, Polk, Put-  
23 nam, Rhea, Roane, Scott, Sequatchie, Sevier, Smith,  
24 Sullivan, Unicoi, Union, Van Buren, Warren, Wash-  
25 ington, and White;

1           In Virginia, the counties of Alleghany, Bath, Bland,  
2       Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd,  
3       Giles, Grayson, Highland, Lee, Pulaski, Russell, Scott,  
4       Smyth, Tazewell, Washington, Wise, and Wythe;

5           All the counties of West Virginia:

6   *Provided*, That the Commission is hereby authorized and  
7   directed to study and consider, in consultation with the  
8   Governor of the State of New York or an appropriate official  
9   or officials designated by him, the inclusion of such counties  
10   of the State of New York as are contiguous to the Appa-  
11   lachian region as defined in this section and counties con-  
12   tiguous thereto in the Appalachian region for the purposes  
13   of this Act; and if the Commission shall decide after such  
14   consultation, that these counties share the social and eco-  
15   nomic characteristics of the region, and that the inclusion of  
16   these counties would further the purposes of this Act as set  
17   forth in section 2, then the Commission is authorized and  
18   directed to invite the State of New York to participate in the  
19   Commission on an appropriate basis: *Provided further*, That  
20   the Commission may extend the invitation to the State of  
21   New York for inclusion of such of the described counties the  
22   inclusion of which would further the purposes of the Act:  
23   *And provided further*, That if such invitation is duly accepted  
24   by the State of New York, those counties shall be included



1 in “the region” or “the Appalachian region” for the purposes  
2 of this Act.

3 SEVERABILITY

4 SEC. 404. If any provision of this Act, or the applica-  
5 bility thereof to any person or circumstance, is held invalid,  
6 the remainder of this Act, and the application of such  
7 provision to other persons or circumstances, shall not be  
8 affected thereby.

9 TERMINATION

10 SEC. 405. This Act shall cease to be in effect on July 1,  
11 1971.

Passed the Senate February 1 (legislative day, January  
29), 1965.

Attest:

FELTON M. JOHNSTON,

*Secretary.*







89TH CONGRESS  
1ST Session

**S. 3**

[Report No. 51]

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## **AN ACT**

To provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

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FEBRUARY 2, 1965

Referred to the Committee on Public Works

FEBRUARY 17, 1965

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed









# Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF  
BUDGET AND FINANCE

(For information only;  
should not be quoted  
or cited)

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
Washington, D. C. 20250  
Official business      Postage and fees paid  
U. S. Department of Agriculture

Issued February 26, 1965  
For actions of February 25, 1965  
89th-1st.; No. 37

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HIGHLIGHTS: Senate passed water resources planning bill. Sen. Eastland criticized Kermit Gordon's article on farm program. Sen. McGovern inserted Sen. Mondale's speech defending farm price supports. Sen. Miller urged resumption of dried egg purchase program. Sen. Talmadge stated Common Market policies pose threat to U. S. agricultural export market. Sen. Thurmond inserted S. C. Legislative resolution protesting proposed user charges on SCS technical assistance. House committee voted to report bill to increase limitation on FHA insured loans. House Rules Committee cleared Appalachia bill.

### HOUSE

1. APPALACHIA. The Rules Committee reported a resolution for the consideration of S. 3, to provide public works and economic development programs and assist in the development of the Appalachian region (H. R. 2627). Rep. Cleveland asked careful reading of the House Report on the bill, particularly the minority and additional views, stating that "They .... point out in detail the essential unfairness of this legislation to the rest of the Nation." pp. 3618-20
2. RESEARCH. Received from the Science and Astronautics Committee a report on geographic distribution of Federal research and development funds (H. Report 106). p. 3626

3. FOREIGN AID. Rep. Findley criticized "billion-dollar generosity" to Nasser and inserted a letter and tables from USDA summarizing Public Law 480 transactions with UAR. pp. 3582-3
4. RESEARCH. Rep. Roush spoke on the geographical distribution of Federal funds for research and development, emphasizing the "need for constant attention to not only how these funds are spent but where they are spent." p. 3585
5. FARM LABOR. Rep. Matsunaga commented that "one sure solution to the agricultural labor shortage in California...may be a living wage for a man and his family" and that Hawaii "applied this solution very happily to solve its problem." p. 3625
6. FARM LOANS. The Agriculture Committee voted to report (but did not actually report) H.R. 5075, to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase the limitation on the amount of loans which may be insured under subtitle A of such Act; and H.R. 4152, to amend the Federal Farm Loan Act and the Farm Credit Act of 1933 to provide means for expediting the retirement of Government capital in the Federal intermediate credit banks, including an increase in the debt permitted such banks in relation to their capital and provision for the production credit associations to acquire additional capital stock therein, to provide for allocating certain earnings of such banks and associations to their users. p. D132
7. COMMITTEES. The chairmen of the Interstate and Foreign Commerce Committee and the Post Office and Civil Service Committee announced the appointment of subcommittees. pp. D133-4
8. LEGISLATIVE PROGRAM. Rep. Albert announced that on Mon., Mar. 1, the House will begin consideration of S. 3, the Appalachia bill. p. 3581
9. ADJOURNED until Mon., Mar. 1. p. 3626

#### SENATE

10. WATER RESOURCES. Passed as reported S. 21, to provide for the optimum development of the Nation's natural resources through the coordinated planning of water and related land resources, through the establishment of a water resources council and river basin commissions, and by providing financial assistance to the States in order to increase State participation in such planning. pp. 3535-40
11. INTER-AMERICAN DEVELOPMENT BANK. By a vote of 67 to 14, passed with amendments H. R. 45, to authorize \$750 million for U. S. participation in the Fund for Special Operations of the Inter American Development Bank (pp. 3519-25, 3526-32). Consideration of a similar bill, S. 805, was indefinitely postponed (p. 3532). Senate conferees were appointed (p. 3532).
12. FARM PROGRAM. Sen. Eastland charged that Budget Bureau Director Gordon in his recent magazine article "assaulted the farmer and farm programs enacted by the Congress in an unjustified manner," and the Senator defended Federal expenditures for the farm program as contrasted with expenditures for other programs. pp. 3503-4



## CONSIDERATION OF S. 3

---

FEBRUARY 25, 1965.—Referred to the House Calendar and ordered to be printed

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Mr. MADDEN, from the Committee on Rules, submitted the following

## R E P O R T

[To accompany H. Res. 249]

The Committee on Rules, having had under consideration House Resolution 249, reports the same to the House with the recommendation that the resolution do pass.

○





## House Calendar No. 22

89TH CONGRESS  
1ST SESSION

# H. RES. 249

[Report No. 112]

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### IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 1965

Mr. MADDEN, from the Committee on Rules, reported the following resolution;  
which was referred to the House Calendar and ordered to be printed

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## RESOLUTION

1       *Resolved*, That upon the adoption of this resolution it  
2 shall be in order to move that the House resolve itself into  
3 the Committee of the Whole House on the State of the  
4 Union for the consideration of the bill (S. 3) to provide  
5 public works and economic development programs and the  
6 planning and coordination needed to assist in the develop-  
7 ment of the Appalachian region. After general debate,  
8 which shall be confined to the bill and continue not to exceed  
9 four hours, to be equally divided and controlled by the chair-  
10 man and ranking minority member of the Committee on  
11 Public Works, the bill shall be read for amendment under  
12 the five-minute rule. It shall be in order to consider, with-

1 out the intervention of any point of order, the text of the bill  
2 (H.R. 4466) as an amendment to the bill. At the conclu-  
3 sion of the consideration of S. 3, the Committee shall rise  
4 and report the bill to the House with such amendments as  
5 may have been adopted and the previous question shall be  
6 considered as ordered on the bill and amendments thereto  
7 to final passage without intervening motion except one motion  
8 to recommit with or without instructions.





89TH CONGRESS  
1ST SESSION

# H. RES. 249

[Report No. 112]

---

## RESOLUTION

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Providing for consideration of the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

---

By Mr. MADDEN

---

FEBRUARY 25, 1965

Referred to the House Calendar and ordered to be printed



the carnage on our highways. In answer to these, I offer the unhappy statistics of death and serious injury among our youth who find easy access to alcoholic beverages across our borders.

As you know, I have named Ned J. Parsekian, former director of motor vehicles, as my special consultant on the teenage drinking problem. It was Mr. Parsekian who prepared the excellent report which we presented to the New York State Joint Legislative Committee to study the alcoholic beverage control law. As my consultant, he will continue to put to use his unquestioned expertise and will serve as an effective representative in our dealings with the State of New York.

Let me make it clear that we shall never abandon what we believe is a just cause. In the coming months we shall enlist the support of civic, governmental and religious leaders in New Jersey as well as New York in our endeavor to bring to bear every moral force in a struggle we must continue if we are to save the lives—even one life—of our young people.

Mr. Parsekian, the Governor's able consultant, has acquired an intimate knowledge of the problem as director of motor vehicles of the State and in his present capacity. He has made detailed studies of highway accidents resulting from drinking of alcoholic beverages in New York State by New Jersey drivers under 21 years of age. These grim statistics, representing personal disasters to so many individuals and families, prove there is nothing vague about the relationship between drinking and automobile accidents. Moreover, the rate is increasing. The number of fatalities for the 7-year period from 1955 through 1961 was 33, whereas there were 24 fatalities for the 3-year period 1962 through 1964. To cite only one of the tragedies attributable to drinking in New York and driving in New Jersey by youths under 21, a 17-year-old driver struck and killed the 43-year-old driver of another vehicle entering a roadway from a driveway. The youth, who was exceeding the speed limit, had been drinking in New York prior to the accident in New Jersey. These tragic, senseless deaths and injuries in New Jersey are repeated in the other States bordering New York. At hearings by the New York State Joint Legislative Committee To Study the Alcoholic Beverage Control Law in 1962, the States of New Jersey, Pennsylvania, Connecticut, Massachusetts, New Hampshire, and Vermont documented 85 deaths of youths under 21 directly traced to drinking in New York. Statistically, there are 70 injuries for every death on the highways. As Governor Hughes observed in a letter of January 26, 1965, to the Governor of Pennsylvania:

At least as it results from the lure of the New York drinking age, this tragic toll is preventable.

Of course, reckless and drunken driving is not the only dangerous consequence of teenage drinking in New York. It has resulted in a variety of harmful and immoral activities and behavior, including assaults upon persons and property and other forms of delinquency.

The Nation is engaged in a splendid effort to raise the physical and mental standards of our young people, realizing they are a national resource which we

cannot afford to waste. It is ironic that when we are so rightfully intent on enriching the quality of life for our youth this menace to their health, safety and morals is permitted to exist by New York State.

I hope that the government of New York will recognize its obligation to its own citizens and to the citizens of other States to help eradicate teenage drinking and its attendant evils by raising the legal age to 21.

Mr. HELSTOSKI. Mr. Speaker, I have today introduced a House concurrent resolution expressing the sense of Congress that the State of New York should raise its legal minimum drinking age from 18 to 21.

In the years between 1955 and 1964 we have found that the rate of death and injury resulting from the drinking of alcoholic beverages in the State of New York by people under 21 years of age has been tremendous.

Only yesterday, I have had a long conference with Mr. Ned J. Parsekian, former director of the Motor Vehicle Division of the State of New Jersey and presently on the President's Commission on Traffic Safety and a special consultant to the Governor of New Jersey on the teenage drinking problem.

Mr. Parsekian has furnished me with figures that indicate a rapidly rising death rate among young New Jerseyites who do their drinking in our sister State of New York and then start their "hot-rodding" antics along the highways of the cities of New Jersey.

I would like to point out that between 1955 through 1961, there were 27 accidents, the main cause of which was alcoholic consumption in New York. These accidents produced 33 fatalities and 55 injuries.

Similarly, between 1962 and 1964 the number of accidents rose to 27 with a corresponding rise in fatalities and injuries. These 27 accidents claimed the lives of 33 teenagers and injured 55. These figures show an increase in the death rate of nearly double the yearly average of 1955-61.

Because of this age difference between our two States, the problem of drinking by teenagers is definitely acute. These teenagers are definitely a hazard to themselves, other motorists and pedestrians. If the State of New York would raise its minimum legal age to conform to the States bordering it, we could cut down on the tragic number of accidents involving minors who have obtained their beverages in New York.

Assurances have been given by members of the legislative bodies of New York that this situation would be looked into during the present session of the New York Legislature. I hope that something positive will be forthcoming from their deliberations upon this subject.

There is no good reason why this situation should continue and the sooner the action is taken, the sooner the effects of such action can be obtained.

I have in my files the detailed case histories of the accidents, fatalities and injuries covering the period of 1962 through 1964 and I shall be more than happy to discuss them with any Member of this

honorable body who may wish to have additional information on this deplorable situation.

Under leave to revise and extend my remarks, I would like to include the statement of the Honorable Richard J. Hughes, Governor of the State of New Jersey, on the disparity in the New York drinking law, which was issued only 2 days ago.

The statement follows:

STATEMENT BY GOV. RICHARD J. HUGHES  
CONCERNING THE DISPARITY IN THE NEW YORK DRINKING AGE, FEBRUARY 23, 1965

New Jersey and other States bordering New York have been involved in a continuing effort to persuade the State of New York to conform to national standards by raising its drinking age from 18 to 21. Our sole motivation for this effort has been a deep concern over the tragedy which too often befalls young people who drive across our borders to legally purchase alcoholic beverages in New York and meet injury or death on the return trip. Much to my regret, we have not been successful in our many appeals to our sister State. We persist, however, in the hope that the shocking fact of death and injuries on the highways will awaken the conscience of those who can bring about the New York legislation necessary to prevent such tragedies. The latest survey taken by the State of New Jersey has revealed that this problem is still with us and, indeed, has increased over the past 2 years. It is for this reason that we feel bound in conscience to continue in our effort with regard to the New York drinking law.

Through Mr. Ned J. Parsekian, my special consultant on this teenage drinking question, I have already been in contact with Gov. William W. Scranton of Pennsylvania, who has directed that a survey be made to determine the effects of the New York law on the young people in his own State. In addition, Mr. Parsekian has met with New York Assembly Speaker Anthony J. Travia to present our case.

The New England Governors' Conference, which is also greatly concerned about this problem, recently passed a resolution restating its advocacy of a change in the New York law.

Throughout the years we have heard several arguments, a number of them inspired purely by dollars and cents considerations, that there is no causal connection between teenage drinking in New York and teenage death on the highways of its neighboring States. New Jersey rejects these arguments and we submit, in answer, the detailed reports we have compiled concerning those young people whose deaths are directly attributable to the use of alcoholic beverages purchased in New York State under the cloak of New York law.

And so we continue in this effort in the hope that this year we shall succeed and in the knowledge that we cannot and will not abandon our struggle if we are to save these young lives.

I deeply appreciate the support of Congresswoman FLORENCE P. DWYER in this campaign for the safety of our citizens, and I am hopeful that her recommendations will be given the fullest support.

#### VA OFFICE SHUTDOWN FLIES IN FACE OF KNOWN INADEQUACIES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 15 minutes.

Mr. HALPERN. Mr. Speaker, along with many of our colleagues, I was shocked by the abrupt decision of the



Veterans' Administration to close 31 of its nationwide facilities.

If this ruling takes effect, it will amount to a backward step in our continuing effort to provide the Nation's war veterans with certain important and deserving services enacted into law.

We have been hearing expert testimony before the appropriate subcommittees in both the Senate and the House. The bulk of it supports my own contention that this VA reorganization is unnecessary and unjustified.

There has come to my attention a very thorough and interesting article which appears in the March Newsletter, of the American Legion. For the benefit of all Members I ask that it be read into the body of the RECORD at this point:

**VA OFFICE SHUTDOWN FLIES IN FACE OF KNOWN INADEQUACY—IMPERILS AVENUE TO LEGAL CLAIMS OF MORE THAN 9 MILLION POTENTIAL BENEFICIARIES**

The enormity of the announcement of the Veterans' Administration on January 13 that it would close 16 of its regional offices (along with other installations) can hardly be comprehended by the average citizen. The VA regional offices, already spread too thin, are virtually the only direct, local contact that nearly 82 million veterans, vets' wives, widows, children, orphans, and dependent parents have with the Veterans' Administration for advice, information, counsel, claim-filing and claim processing. The shutdown will interpose from hundreds to more than 1,000 miles between potential beneficiaries and the nearest VA regional office, and will shut down regional offices presently serving areas in which reside more than 9 million people listed by VA as having potential business with it. VA says that it is now doing 90 percent of its business by mail and sees no problem in maintaining needed services by mail. The truth, known to everyone concerned, is quite the opposite. Lack of field offices is known beyond doubt to deprive veterans of legal entitlements by denying them access to knowledge of their entitlements.

Let us cite how well this is understood by all concerned.

On August 2, 1962, VA Chief Benefits Director Philip Brownstein testified in Congress on a VA study of why 2,065 pensioned veterans and widows waited for from a year to 16 months to elect to receive a higher pension under an option granted them by law in 1960, and thus lost out on \$309,665 of legal benefits. Every one of them had been advised by mail from the VA of the technicalities of the law. Why the costly delay? Mr. Brownstein said that 63 percent of them "just did not understand the law" and "13.6 percent were misinformed by others."

At the same time the House Veterans' Affairs Committee staff made a study of 4,691 veterans and widows in sample areas of Texas, Arkansas, and Florida who had not at any time elected the new pension. Staff Director Oliver Meadows testified that 2,790 of them could have received better benefits by choosing the new option, and these constituted 59.4 percent of the group studied. The average income of the 2,970 who would gain by the election was only \$329 a year, yet none of them elected the better pension though it would bring them, on the average, \$141.72 more a year. Their total loss through ignorance—\$410,908.40 each year.

The whole burden of Mr. Meadows' testimony was that while all of the veterans and widows studied had received from the VA mail describing the complexities of the law, they felt additional need for personal advice and were getting it not from the VA but from people less qualified, close at hand, who were misinforming them.

Why did they have to rely on misinformants instead of VA counsel, when they had no problem drawing the social security to which they were entitled?

The answer is that the same Government that has been putting more and more field offices around the country to advise people on social security has been steadily withdrawing the same services from veterans and their families. Social security involves at most about two times as many people as the VA (VA estimates that 44 percent of the population, or 81.9 million people, may have legitimate business with it). When the present VA cutback is in effect, social security will have more than 60 times as many offices for counseling potential beneficiaries face to face in the 50 States than the VA. With the new VA cutback, VA will have 50 regional offices and 12 contact offices stretching from Hawaii to Rome, from Anchorage, Alaska, to the Panama Canal Zone. By comparison, Social Security maintains a growing field setup of nine national regions with 613 district offices and 3,519 contact offices. At the same time its laws and regulations are far simpler to grasp and apply than those administered by the VA.

In Texas, Florida, and Arkansas, where the House committee made its shocking sample study, the VA will have just seven permanent offices (four regional, three contact) to counsel potential beneficiaries when the present cutback is in effect. In the same three States, social security has 534 field offices (54 district and 480 contact).

What did the VA do, following the studies cited above which so starkly showed needy veterans and widows missing out on millions in benefits through lack of proper face-to-face counsel and the inadequacy of counsel by mail? Between January 1960 and November 1961 (the terminal period of its study), it closed 19 contact offices. In November 1961, it closed 161 more in one fell swoop. Less than 6 months after it testified it closed 26 of the remaining 35 contact offices, leaving 9 in the 50 States where there had been 1,049 at the end of World War II. In 1955 it had closed the regional offices in San Diego, Miami, and Oklahoma City. After it testified it closed the Dallas regional office and replaced it with a smaller contact office.

While all this was going on, both the Veterans' Administration and House Veterans' Affairs Committee Chairman OLIN E. TEAGUE repeatedly went to the press and the broadcasters with the message that for lack of proper information, disabled and impoverished veterans and widows throughout the country were missing out on \$46 million a year of legal entitlement in the single matter of the wrong choice of a pension. In 4½ years, the loss to VA pensioners through ignorance, bad counsel, and the inadequacy of contact by mail has come to a staggering \$207 million. Compare that to the \$23.5 million which it is claimed the new shutdown of facilities will save in administrative costs. A knowledgeable observer has difficulty restraining the sinister suspicion that the \$23.5 million saving is not the object of the shutdown at all, but what is envisioned by the Budget Bureau is further vast sums saved in unclaimed benefits by deliberate withdrawal of services.

Is the pension situation a special case of the inadequacy of the VA field service? Not at all.

Twice Congress has had to pass special laws to ease the penalties suffered by veterans who were not properly advised of the need to convert their GI term insurance before its cost became prohibitive.

VA repeatedly asks news media to warn veterans to keep their GI insurance beneficiaries up to date, lest on their death the benefits go to beneficiaries they had in mind 20 years ago but not today. It frequently cites cases in which it is certain that

the money went to the wrong people. By mailings to insured veterans in selected areas, VA has persuaded many veterans to change their beneficiaries. But it has never felt that it could afford such a mailing in all the areas where it has withdrawn its services. Last October, to help plug this gap in VA's shortage of counseling, this magazine published a change-of-beneficiary form with the cooperation of the VA, at a cost to The American Legion of approximately \$11,000.

The VA repeatedly states that only a small fraction of the children of the war-dead have applied for the college-aid to which they are entitled under the junior GI bill. It admits that it is unable to get the word to them and beseeches private media, such as veterans' organizations, schools, newspapers, and broadcasters do the job.

Only when it is putting more miles between its offices and its potential beneficiaries, does the VA pretend that it can render its services by mail. At other times it admits that it can't and calls for help. Even in the processing of claims—a major work of VA regional offices—70 percent of the claims processed are worked up partially by sources outside the VA (service officers of veterans' organizations, or the States, by claimants' lawyers). The burden on these professional and volunteer helpers is greatly magnified by cutbacks in VA offices. The North Dakota State American Legion service officer, stationed in Fargo, has had just a trot across town to the Fargo VA regional office to represent any of the 299,700 members of veterans' families served by that office. He will now find himself 241 miles removed from the nearest claim-processing office—in St. Paul. Meanwhile, the VA is anticipating that its caseload is due to increase over the years ahead.

Perhaps this gives a small view of the enormity of the VA now ordering the shutdown of more than 24 percent of its already inadequate regional establishments, in areas where there now reside more than 9 million of the potential beneficiaries.

Below are the regional offices to be closed, and opposite them the potential beneficiary population presently served by each office to be closed. Figures are based on VA's 1963 yearend annual report:

Regional office closed:	Vet family population
Juneau, Alaska.....	88,000
Wilmington, Del.....	210,900
Shreveport, La.....	333,000
Kansas City, Mo.....	928,600
Reno, Nev.....	118,400
Manchester, N.H.....	307,100
Albany, N.Y.....	743,700
Syracuse, N.Y.....	832,500
Fargo, N. Dak.....	299,700
Cincinnati, Ohio.....	2,049,800
Wilkes-Barre, Pa.....	1,221,000
Siox Falls, S. Dak.....	277,500
Lubbock, Tex.....	658,600
San Antonio, Tex.....	710,400
White River Junction, Vt.....	148,000
Cheyenne, Wyo.....	170,200
Total.....	9,198,200

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. DERWINSKI] is recognized for 10 minutes.

[Mr. DERWINSKI addressed the House. His remarks will appear hereafter in the Appendix.]

**APPALACHIA BILL—JOB PIRACY AND INDUSTRIAL PIRACY**

(Mr. CLEVELAND (at the request of Mr. HUTCHINSON) was granted permission to extend his remarks at this point



in the RECORD and to include extraneous matter.)

Mr. CLEVELAND. Mr. Speaker, next Monday the House will begin consideration of the Appalachia bill. I urge my colleagues to read carefully House Report No. 51 on the Appalachian Regional Development Act of 1965. I particularly commend to my colleagues the minority views commencing on page 33 of the report. I also urge my colleagues to read the additional views commencing on page 59 of the report. I concur with the minority views and additional views. They are well written and point out in detail the essential unfairness of this legislation to the rest of the Nation.

It is also my hope that my colleagues will read my additional views at the end of the report. The point I attempt to make in my additional views is that the Appalachia proposal is essentially an act of piracy—job piracy and industrial piracy. Among the victims of the crime are not only many communities in my district, but many communities in the districts of my colleagues. My additional views are as follows:

#### ADDITIONAL VIEWS OF Mr. CLEVELAND

As indicated in this report, I concur with the minority views on S. 3 and their additional views.

Concepts of fairness, however, impel me to these additional views. As a member of the special subcommittee which considered S. 3, the essential unfairness of this legislation has been etched sharply on my conscience. Many parts of my congressional district need better roads, hospital facilities, sewage plants, and vocational training centers. Timber development and water resources development play vital roles in much of my district in western and northern New Hampshire.

Administration witnesses again and again stated to the subcommittee that the real purpose of this legislation is to provide those basic facilities, to create centers of prosperity in the Appalachian region. The purpose is to make these communities so attractive that new industries will be drawn to them by the magnetic attraction of community facilities and good roads furnished by the Federal taxpayers of the entire Nation.

#### AN ACT OF PIRACY

Thus, this act is essentially an act of piracy—job piracy and industrial piracy. Among the victims of this crime are many communities in New Hampshire's Second Congressional District.

For many years, I have devoted countless hours and unremitting effort with many other good citizens of New Hampshire to improve our economy by attracting new industries and resources to our State. I cannot sit silently by and witness the appalling unfairness of this legislation.

#### THE MAGNET OF FEDERAL AID

New industries that will be drawn to Appalachia must come from some place. These will be new industries that cannot be brought to New Hampshire because with the Federal Government directly financing our competitors with our own tax dollars, in spite of our many advantages, the struggle becomes hopelessly unfair.

As administration witnesses described the rural decline and the outmigration that characterizes parts of the Appalachian region, I was reminded, of course, of many communities in my own district. In fact, most of my district is in the Appalachian Mountains. Indeed, the crowning glory of

the Appalachian Mountains can be found in the White Mountains of New Hampshire, the proud Presidential Range and Mount Washington.

#### VIOLATES NATIONAL HIGHWAY SYSTEM

That better roads will lead to improved economic development, there is little doubt. This legislation, however, for the first time, devotes Federal highway funds to a Federal highway system on a narrow, partisan, discriminatory, and regional basis. The shocking unfairness of this is glossed over by talk about the needs of an area. When asked why this area was chosen, I was told by one witness that it was a big area. This is an ominous and foreboding statement to one who represents in the U.S. Congress a small area but one of which I am justifiably and fiercely proud.

JAMES C. CLEVELAND.

#### REPUBLICAN ALTERNATIVE—A CONSTRUCTIVE PROPOSAL TO BENEFIT THE ENTIRE NATION

Mr. Speaker, Republicans are often accused of simply opposing and not countering with constructive alternatives. This criticism is unfair. The Republican minority has not confined itself to simply criticizing the Appalachia proposal of the administration. We have proposed a Resources Development Act of 1965 that incorporates the better features of the Appalachia bill but does so on a national scale and in a manner to benefit the entire Nation. The Republican proposal is described in detail in our minority report which I have referred to above. My esteemed colleague and the ranking Republican on the Public Works Committee, the gentleman from Florida [Mr. CRAMER], has set forth in a letter addressed to his colleagues, a brief description of the Resources Development Act of 1965, which I call to my colleagues' attention to assist them in their consideration of the debate on the Appalachia bill which will start Monday. The letter follows:

CONGRESS OF THE UNITED STATES,  
COMMITTEE ON PUBLIC WORKS,  
Washington, D.C. February 24, 1965.

MY DEAR COLLEAGUE: On February 8, 1965, I introduced H.R. 4466, the Resources Development Act of 1965, and identical bills were introduced by Mr. JAMES CLEVELAND, Mr. DON CLAUSEN, and Mr. ROBERT MCEWEN, as a more palatable substitute for S. 3, the administration's proposed Appalachian Regional Development Act of 1965.

Briefly stated, the Resources Development Act of 1965 (a copy of which is enclosed) would do the following:

First. Extend Federal financial assistance to all areas throughout the United States which qualify as "eligible areas" under the Public Works Acceleration Act—which include "redevelopment areas" designated under subsections (a) and (b) of section 5 of the Area Redevelopment Act and areas of substantial unemployment—and not just to a single region or to prosperous, economically advanced areas.

Second. Authorize programs and projects to be initiated by the States and local officials and administered by existing Federal agencies, rather than creating a new dictatorial regional Federal bureaucracy that has the power of life and death over programs and projects.

Third. Authorize the appropriation of funds, with varying State matching requirements, in amounts and for purposes as follows, for the period ending June 30, 1967:

	Millions
Economic development highways.....	\$800
Demonstration health facilities.....	82
Timber development organizations.....	10
Mining area restoration.....	43
Water resource study.....	5
Vocational education facilities.....	32
Sewage treatment works.....	12
Grants for administrative expenses of local development districts and for research and demonstration projects..	11
Total.....	995

The proposed Resources Development Act of 1965 avoids the following major objectionable features of the Appalachian Regional Development Act of 1965:

1. The Appalachian Regional Development Act is grossly discriminatory in that it offers special Federal assistance to one region of the Nation despite the known existence of severely economically depressed areas in other regions.

2. It provides financial assistance to prosperous as well as depressed counties within the region—at the expense of taxpayers in all economic strata throughout the Nation.

3. It would create a new regional super-government with absolute veto authority over State and local decisions and thus establish dictatorial power in the person of a single Federal representative on the Appalachian Regional Commission.

Your attention is respectfully drawn to my remarks and a section-by-section analysis of H.R. 4466, which appear in the CONGRESSIONAL RECORD of February 8, 1965, beginning on page 2110.

I believe this proposed nationwide measure, which treats all depressed and labor surplus areas alike has much merit, and should attract bipartisan support as an alternative to the discriminatory Appalachian Regional Development Act. It is to request your serious consideration and support of H.R. 4466, that I write this letter.

With kindest regards, I am,  
Sincerely,

WILLIAM C. CRAMER,  
Member of Congress.

FURTHER COMMENT BY Mr. CRAMER ON  
APPALACHIA

Mr. Speaker, my colleague, the gentleman from Florida [Mr. CRAMER], also sent copies of House Report No. 51 on the Appalachian Regional Development Act of 1965 to his colleagues. Accompanying this report, he wrote a brief and succinct letter setting forth in brief and concise language the reasons for minority opposition to the bill. He also described briefly the substitute proposal, the Resources Development Act of 1965, which, under the rule granted today by the Rules Committee, can be and will be considered. I urge my colleagues to read this well-written letter carefully in preparation for next Monday's general debate:

CONGRESS OF THE UNITED STATES,  
Washington, D.C., February 24, 1965.

MY DEAR COLLEAGUES: As stated in the conference with regard to the Appalachian Regional Development Act, Appalachia is expected to be on the floor of the House next week, possibly starting Monday.

For your information, I am enclosing a copy of the committee report, and invite your particular attention to the opposing minority views beginning on page 33, and the additional views providing for a possible alternative program applying this long-range approach on a sound basis to the entire country, applicable to areas where poverty exists.



As you know, the minority has opposed the bill, briefly for the following reasons:

1. It discriminates against the rest of the Nation.
2. It provides relief to counties that are not poverty stricken.
3. The rationale set out is based on 1960 antiquated statistics.
4. It provides socialized medical care under the Demonstration Health Facilities proposal.
5. It provides for a Federal czar having complete veto power over all the programs.
6. It contains a wholly unworkable agriculture subsidy.
7. It provides for hydroelectric power generation planning.
8. It reactivates the wholly objectionable accelerated public works program, applicable solely to Appalachia.

The substitute measure which, if the rules permit, will be offered by myself is contained in H.R. 4466, a discussion of which starts on page 59 of the report. Needed amendments have been added to make the phases of public works development, that will have a long-range effect on employment, workable and meaningful. This substitute makes available an effective program to all depressed areas and areas surrounding those depressed counties that would have an impact on the unemployment problem. It eliminates the boondoggle APW, the raising of land-farm subsidies, and other objectionable features. The substitute also provides for administration of the entire program through presently existing agencies rather than being directed through a commission on a regional basis which is dictated to by a Federal czar.

I invite your serious consideration of this matter.

Sincerely,

WILLIAM C. CRAMER,  
Member of Congress.

(Mr. GONZALEZ (at the request of Mr. RONCALIO) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. GONZALEZ' remarks will appear hereafter in the Appendix.]

(Mr. GONZALEZ (at the request of Mr. RONCALIO) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. GONZALEZ' remarks will appear hereafter in the Appendix.]

#### THE 47TH ANNIVERSARY OF ESTONIAN INDEPENDENCE

(Mr. KELLY (at the request of Mr. RONCALIO) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KELLY. Mr. Speaker, on February 24 we commemorate the 47th anniversary of Estonian independence. Ever determined to regain their freedom in spite of centuries under foreign control, the Estonians eagerly seized the opportunity provided by the chaos in Russia following the 1917 Bolshevik revolution to declare Estonia's independence from Russia on February 24, 1918. The struggle was not finished. The Estonians were forced to fight a 14-month war of independence against both the Germans

and the Red Army, but ultimately their determination to regain national freedom was rewarded. On February 2, 1920, the Soviet Union and Estonia signed a peace treaty in which the Soviet Union renounced "voluntarily and forever" its sovereignty over Estonia.

Unfortunately, as in so many other instances, when the Second World War broke out the Soviet Union soon made it evident that it considered the Estonian peace treaty only one more "scrap of paper." After forcing a mutual assistance pact on the Estonians in 1939, in 1940 the Red army overran Estonia. The familiar pattern of Communist terrorism—forced exile, political repression, nationalization, creation of a totalitarian society—initiated a nightmare from which Estonia has not yet emerged. The glorious decades between the wars when the Estonian economy thrived, civil liberties and democratic rule flourished, and national cultural aspirations were allowed full expression are today but a memory.

They are, however, a memory planted deep in the hearts of the Estonian people. The Estonians have never forgotten those years of freedom and have never ceased to hope that one day a new era of national independence will open before them. We commend their steadfast dedication to their ideals and express our sincere hopes that one day their dream of freedom will once again become a reality.

#### INGERSOLL-RAND CO. AND THE EASTON-PHILLIPSBURG AREA: A LESSON IN MUTUAL COOPERATION BETWEEN GREAT INDUSTRY AND A GROWING COMMUNITY

(Mr. ROONEY of Pennsylvania (at the request of Mr. RONCALIO) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROONEY of Pennsylvania. Mr. Speaker, it was my pleasure last week to welcome to my office Mr. Robert H. Johnson, chairman of the board of the Ingersoll-Rand Co. which is among the largest employers in my congressional district.

Mr. Johnson had come to Washington to confer with President Johnson and other leaders of industry and business on the balance-of-payments problems which confront our country. I know that he contributed intelligently to the exchange of ideas which occurred during that meeting at the White House.

The people of Easton, Pa., and Phillipsburg, N.J., which lies just across the Delaware River from Easton, are extremely proud of the advances Ingersoll-Rand has made nationally and internationally these past few years. Since 1960, the company has increased its overall employment from 12,000 workers to 21,000 this past year—nearly double the number of workers in a span of just 4 years.

Ingersoll-Rand now occupies a position of 175th among the Nation's largest industrial corporations.

A great deal of this progress can be traced to the astute leadership of Robert

Johnson and the team of administrators he has gathered around him at the head of this remarkable firm.

Mr. Johnson has been chairman of Ingersoll-Rand's board of directors since May 6, 1959. Prior to that time he served as president of the organization, with which he has been employed since 1924.

On February 10 of this year, Mr. Johnson served as the main speaker at the annual dinner meeting of the Easton Area Chamber of Commerce at Hotel Easton at the invitation of its distinguished president, Mr. Robert S. Gerstell, chairman of the board of Alpha Portland Cement Co., and Mr. Kenneth Kressler, vice president and program chairman for the chamber.

Mr. Johnson's remarks at that meeting have been praised highly by all those who attended and by the communications media in our area.

I consider his speech an excellent exposition of the responsible manner in which good relations between a community and its industries can be established and encouraged. The text of Mr. Johnson's remarks follows:

#### ADDRESS BY ROBERT H. JOHNSON

Mr. Gerstell, Mr. Kressler, members of the Easton Area Chamber of Commerce, honored guests, ladies and gentlemen, I want to thank Mr. Gerstell for his most complimentary introduction. His favorable comments on our company, I would like to accept on behalf of all my associates here and abroad who now number over 21,000 men and women. As for his comments about me personally, they are far too generous but they suggest that I should assure you that it is still the company's policy to give every employee unlimited opportunity.

As for Mr. Gerstell himself, the community is most fortunate to have a man of his stature and leadership dedicated to the improvement of the Easton area.

Mr. Gerstell did fail to mention my hometown—Oakland City, Ind. In the unlikely event there is anyone here who doesn't know exactly where it is, it is on the Patoka River—right next to Petersburg.

I have been asked to talk about Ingersoll-Rand Co. and its work here. Now this is a very big subject that could take a lot of time. The size of the subject puts me in a situation illustrated by a story about Sir Winston Churchill. A woman's club had engaged him to speak and the president of the club introduced him by saying that he was world renowned as soldier, statesman, and author, in fact the No. 1 citizen of the world. "But," she said, "there is one thing the ladies of our club do deplore and that is the amount of brandy you are reported to drink every day. Now, I've done some arithmetic and I've figured out that you've drunk enough brandy to fill this room up to here," holding her hand out in front of her. With that she presented Sir Winston. He walked to the rostrum, held out his hand just as she had, looked at it, then looked up at the ceiling and said, "So much to do and so little time."

I would like to ask you to join me for a moment in a flight of fancy—that you imagine the Easton and Phillipsburg operations of Ingersoll-Rand Co. do not exist. Then, I would like you to imagine that all of us are executives of Ingersoll-Rand and that we have met here to specify what we would need and want as a company if we didn't have our Easton and Phillipsburg operations.

Let me list the specifications.

First, we would need 450 acres of land within easy traveling distance of New York. We would want the land to be in a community of around 50,000 people. We would want attractive homes, first-rate elementary









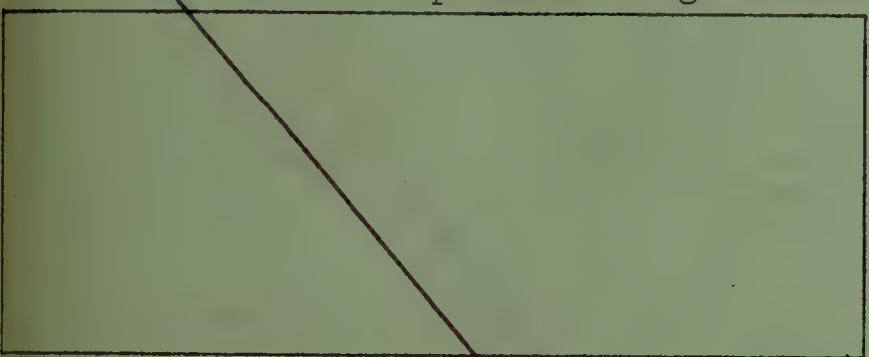
# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
Washington, D. C. 20250  
Official business      Postage and fees paid  
U. S. Department of Agriculture

OFFICE OF  
BUDGET AND FINANCE  
(For information only;  
should not be quoted  
or cited)

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For actions of March 1, 1965  
89th - 1st., No. 38



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HIGHLIGHTS: House debated Appalachia bill. House committee reported bill to increase limitation on FHA insured loans. Rep. Findley inserted article critical of cotton program. Sen. Ellender inserted speech commending soil and water conservation program. Sen. Gruening urged revival of accelerated public works program.

### SENATE

1. SOIL AND WATER CONSERVATION. Sen. Ellender inserted a speech by the president of the National Association of Soil and Water Conservation Districts reviewing and commending the soil and water conservation program and criticizing the proposal for user charges on SCS technical assistance to farmers and ranchers. pp. 3671-4

2. PUBLIC WORKS. Sen. Gruening urged an immediate revival of the accelerated public works program to aid economically depressed areas and inserted items in support of his position. pp. 3674-6
3. CASTOR BEANS; CROPLAND DIVERSION. Both Houses received a Nebr. Legislature resolution urging the Secretary of Agriculture "to restore the payment for the production of castor beans on diverted land to 50 percent of the basic payment for diversion." pp. 3633, 3805
4. RIVER BASINS; WATERSHEDS. Sen. Kuchel inserted letters from the Interior Department reviewing and supporting proposals for the construction of the Bridge Canyon Dam as a part of the Lower Colorado River Basin and for rechanneling a 16 mile stretch of the Lower Colorado River, and an article by Herbert I. Jones, Soil Conservation Service, Denver, Colo., "Reclamation in the Rio Grande Area Aided by Watershed Work." pp. 3658-62
5. APPALACHIA. Sen. Cooper commended the organization of the Appalachian Volunteers in Ky. to aid in community development work in the Appalachian area. pp. 3679-80
6. PEACE CORPS. Both Houses received from the President a proposed bill "to amend further the Peace Corps Act" (H. Doc. 96); to S. Foreign Relations and H. Foreign Affairs Committees. pp. 3631, 3805
7. FOREIGN TRADE. Both Houses received from Commerce a proposed bill to provide for continuation of authority for the regulation of exports; to S. and H. Banking and Currency Committees. pp. 3632, 3805
8. STOCKPILING. Received from the Joint Committee on Reduction of Nonessential Federal Expenditures a report on Federal stockpile inventories as of Dec. 1964, including CCC commodity inventories. pp. 3633-42
9. NOMINATION. Received the nomination of John W. Macy, Jr., for a new 6-year term as a Civil Service Commissioner. p. 3748
10. ADJOURNED until Thurs., Mar. 4. p. 3748

HOUSE

11. APPALACHIA. Began debate on S. 3, to provide public works and economic development programs and assist in the development of the Appalachian region (pp. 3753-72). Agreed to the Rules Committee resolution providing for debate on the bill and providing that it shall be in order to consider, without the intervention of any point of order, the text of H. R. 4466, to provide public works and economic development programs needed to assist in the development of various areas of the United States which have not realized their full economic potential, as an amendment to the bill.
12. INTER-AMERICAN DEVELOPMENT BANK. Conferees were appointed on H. R. 45, to authorize \$750 million for U. S. participation in the Fund for Special Operations of the Inter-American Development Bank (p. 3751). Senate conferees have already been appointed.



both Democratic and Republican objectors, that the committee should have the department reports included in the committee report.

In this case, Mr. Speaker, the committee has stated that with similar legislation in the 88th Congress, the Department of the Army and the Bureau of the Budget had no objection to the legislation, so I am not going to ask that the bill be passed over, but I would like to point up the necessity for committee chairmen, when reporting bills, to include the department reports in the report on the bills.

Mr. Speaker, I withdraw my reservation of objection.

Mr. GROSS. Mr. Speaker, further reserving the right to object, I join with the gentleman from Washington in pointing out that there are no detailed reports from the departments with respect to this legislation.

I would further point out that last year, when this bill was before the House, the gentleman from Michigan [Mr. GERALD R. FORD] and the gentleman from Iowa presently addressing the House made the point that there were no departmental reports.

Mr. Speaker, I simply cannot agree that bills on the Consent Calendar—or any other bills—should be considered in this session of the Congress without proper and detailed departmental reports.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I believe the gentleman will note from the report of the committee that the Department of the Army recommended enactment of a similar bill in the last session, with certain amendments, and those amendments have been incorporated in the bill now before the House.

Mr. GROSS. Mr. Speaker, I am well aware of that. I have read the report and I am well aware of what the report says, and it does not conform to the accepted practice of having detailed reports from the departments.

Mr. Speaker, I do not know that I am opposed to this bill. It went through under unanimous consent last year. But I cannot stand by without protest to see this procedure started in this session of Congress.

Mr. ASPINALL. Mr. Speaker, will my friend from Iowa yield to me?

Mr. GROSS. I yield to the gentleman from Colorado.

Mr. ASPINALL. As I understand it, this is an identical bill to the one which passed in the House during the 88th Congress, and there has been no change in the position of the Department of the Army Engineers on this legislation.

I believe the history which has been made—that there has been no change—should satisfy my friend from Iowa.

I am in complete agreement with the position my friend takes, with the exception that this bill is similar to the one which passed in the 88th Congress, and there has been no objection from the department having jurisdiction.

Mr. GROSS. Will the gentleman agree with me that the issue was made

last year, that the absence of departmental reports was noted last year, and that there has been ample time, and more than ample time, for those interested in this legislation to produce departmental reports?

Mr. ASPINALL. I would agree with my colleague from Iowa, but I believe under the circumstances, with this admonition we are giving, there will not be any trespass upon this procedure in the future.

Mr. GROSS. And will the gentleman on the majority side and others on the panel on the Consent Calendar on the majority side join with me in this?

Mr. ASPINALL. The gentleman from Colorado now speaking is one of the originators of this idea that we should have departmental reports and in any other case, with this notice being given to our colleagues, I will certainly join with my friend.

Mr. GROSS. The gentleman from Colorado is very persuasive, and with that assurance, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

H.R. 4606

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the flood control project for Four River Basins, Florida, authorized in section 203 of the Flood Control Act of 1962, is hereby modified to authorize the Secretary of the Army to credit local interests against their required contribution to the remaining features of such project for any work done by such interests on the Lake Tarpon Basin feature of the project after July 1, 1963, if he approves such work as being in accordance with such project as authorized: *Provided,* That such credit shall not exceed the Federal share of this feature of the project, presently estimated at \$1,255,300.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the eligible bills on the Consent Calendar.

#### CALL OF THE HOUSE

Mr. ASPINALL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 25]

Andrews,	Fraser	Holland
Glenn	Frelinghuysen	Karsten
Bolling	Gonzalez	Kastenmeier
Bonner	Grabowski	Kelly
Celler	Griffin	King, N.Y.
Cohelan	Gurney	Kluczynski
Conyers	Hagen, Calif.	Kornegay
Derwinski	Halleck	Long, Md.
Dickinson	Halpern	Mailliard
Diggs	Hanna	Monagan
Dulski	Hardy	Morton
Findley	Hays	O'Brien
Fino	Helstoski	Olsen, Mont.

Patman	Selden	Tupper
Pickle	Stalbaum	Widnall
Powell	Sullivan	Willis
Rivers, Alaska	Sweeney	Wilson,
Roosevelt	Teague, Tex.	Charles H.
Roudebush	Tuck	

The SPEAKER. On this rollcall 377 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### APPLACHIAN REGIONAL DEVELOPMENT ACT OF 1965

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 249 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 249

*Resolved,* That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region. After general debate, which shall be confined to the bill and continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider, without the intervention of any point of order, the text of the bill (H.R. 4466) as an amendment to the bill. At the conclusion of the consideration of S. 3, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

(Mr. MADDEN asked and was given permission to revise and extend his remarks.)

Mr. MADDEN. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH] and pending that I yield myself such time as I may require.

Mr. Speaker, this rule calls for the consideration of the so-called Appalachian legislation. It provides for open rule and 4 hours debate.

I wish to commend the Committee on Public Works for the outstanding service they have rendered in presenting to the Congress this comprehensive legislation to further the development of the most economically stricken area in our Nation. The Appalachia area, if given the opportunity to develop its economy, has more natural resources and advantages through its potential industrial complex—minerals, forest, mines, agriculture, waterpower—than any similar area in our Nation. When this legislation is enacted into law, it will directly benefit the economic welfare of 15½ million people.

This legislation will combine the efforts of the Federal Government and the Governors and appointed commissions of their States to collectively aid and restore prosperity to millions of families in an area 10 times the size of Switzerland.



This bill has been brought about by reason of the joint effort of the Kennedy-Johnson administrations during the past several years. Many meetings have been held by representatives of the Federal Government and the various Appalachian States, before the completed study of the Appalachian Committee was submitted to the Congress for action.

The prime goal of the Appalachian program is that all public investments made in the region under this act shall be concentrated in areas where there is a significant potential for future growth, and where the expected return on public dollars invested will be greatest.

This legislation was enacted by the other body a few weeks ago by a majority of 2½ to 1. It covers parts of 10 States and the entire State of West Virginia.

#### ROADS AND HIGHWAYS

The major development of this legislation will be creating a system of main roads and highways, and also access lines of transportation for local residents as well as main highway transportation through the complete area. The heavy concentration on road construction in this bill is to accomplish not just the opening up of Appalachia to the rest of the Nation, but also to assure commuting to and from work for the local citizens. Some \$840 million will be allotted for 2,300 miles of main highways and 1,000 miles of local access roads. States will contribute \$360 million of this highway development.

#### EDUCATION

An extended program to expand vocational education will be placed in certain areas and locations because of high unemployment. Millions in this area have not had the opportunity to secure a basic educational training and also an opportunity to learn trade and craft skills, without which the unemployed are greatly handicapped to secure a job. There is heavy demand all over the country by industrialists, builders, businessmen, and contractors for trained workers. The vast percentage of unemployed today are citizens who never had an opportunity to learn a craft that demands skill and training. Since the end of World War II, technological advances in mining, heavy industry, and agriculture have contributed most to the unemployment problems which plague Appalachia today.

#### STATE CONTROL

One of the outstanding features of this legislation is that all projects under this bill will be in control of the Governors of the respective States or the various departments within the State government.

#### HEALTH

The hospital and medical services in our Nation have been a major factor in the progress we have enjoyed. Without said services, no community or subregion can hope to attract modern industry. In many sections of Appalachia, this problem of health is acute. The low income of these sections makes unavailable access to private medicine and the tax base to provide for public health facilities is nonexistent. From the health angle, this legislation will be a godsend to the people of these areas.

#### FORESTS AND COAL MINING

The hardwood forests of Appalachia were at one time counted among the Nation's most precious assets. House construction for generations had its primary lumber sources supplied from this area. It is estimated that 70 percent of the region's forest acres are held by individuals who possess 50 acres or less. Such small individual holding makes it almost impossible to improve the timber quality of the forests. The bill provides agreements to establish nonprofit timber development organizations, chartered under State law, which will permit a cooperative effort at better management. Five million dollars will be set aside for loans to timber development organizations to improve cutting and marketing of timber.

Special attention must be directed toward the unlimited bituminous coal deposits in this area. Coal is their largest single resource. Owing to a shrinking market and automation, mining operations have been curtailed and thousands have lost their jobs. The Federal and State Governments combined can greatly encourage the market for fuel and the expanded production of coal. Some \$36 million will be authorized area restoration but the Federal Government cooperation will be limited to 75 percent of project costs.

#### LAND CONSERVATION

The bill authorizes \$17 million in grants for soil conservation, erosion control and land improvement purposes. Federal contribution limited to 80 percent and also a 50-acre limitation.

#### WATER RESOURCES AND SEWAGE TREATMENT

With proper control and management, Appalachia's water resources can become the region's most precious national asset, providing almost unlimited opportunities for recreational activities and incentives for industrial development.

Industrial waste treatment, through the lack of sewage treatment facilities, is a serious Appalachian problem and threatens the health of its people and discourages economic development. This bill provides that funds will be expended without regard to the national authorization ceiling or the allotment ceiling for each State contained in the Water Pollution Control Act.

#### URBAN PLANNING

This legislation will provide an urban planning program in order to assist State and local governments in solving their municipal problems resulting from the increasing concentration of population in metropolitan and other urban areas. This will include coordinating transportation systems and other related problems concerning urban growth. The bill provides for a termination of this legislation on July 1, 1971.

#### DISCRIMINATION AGAINST OTHER AREAS

Opposition to this legislation was heard before the Rules Committee hearings that this legislation would discriminate against other areas of the Nation. We all remember during the first two terms of President Franklin Roosevelt the criticism that expenditures, to aid areas in expanding their economy and provide employment, would ruin our

Government's financial stability. Any program that expands industry and production and provides jobs also furnishes money and buying power for millions to keep the factories and mills working and to buy the farmer's products. The last 30 years have demonstrated that this expansion has contributed to our present prosperity. During the days of the depression in the early thirties, our gross national produce was around \$50 billion. Today, our national produce or economy is around \$620 billion and Secretary Dillon states that before the end of 1965 it will be \$660 billion. After World War II, our national production was approximately only \$211 billion. These facts alone should discount and refute all the arguments that have been heard on the floor of this House during the last 25 years in opposition to this type of legislation.

With restoring a prosperous economy to the 15-odd-million people in Appalachia it will help all industry and production located in all parts of our Nation.

It will expand the automobile industry. The increased purchase of cars in a prosperous Appalachia would expand the steel production in the Indiana Calumet region, Pittsburgh, Birmingham, Chicago, California, and other areas. Rubber and oil industry would feel the best expansion from a prosperous Appalachia. Refrigerators, farm machinery, tractors, wagons, clothing, building materials, food, and other of life's necessities would be in far greater demand and every town over the Nation would directly or indirectly enjoy the buying power of 15 million people in the Appalachian area.

I think it is time for all the members of this House to realize how important it is to expand the buying power of more millions of our citizens because that makes for more prosperity and it also calls for added millions of taxes into the Federal treasury.

This is an economic income producing and employment bill that will further contribute to the expansion of our economy and national production. This bill is a small blueprint of the legislation initiated in the middle thirties which eventually expanded our gross national product up to \$625 billion in 25 years. Economy experts all agree that if this prosperity continues we will have a gross national product in 1977 of about \$900 billion annually.

Our Nation learned an unforgettable lesson during the depression of 30 years ago. Our economy was ruined because millions of families were without buying power by reason of low wages and unemployment. This Appalachian legislation will eventually create production, employment, and buying power. It will bring added millions in taxes into the Federal treasury when Appalachia is restored. It will be a major program to make a reality of the economist's prediction of a gross national production of \$900 billion in the next dozen years.

Members should remain on the floor and vote against any crippling amendments to this necessary economical legislation.



Mr. SMITH of California. Mr. Speaker, I yield myself 12 minutes.

(Mr. SMITH of California asked and was given permission to revise and extend his remarks.)

Mr. SMITH of California. Mr. Speaker, House Resolution 249 provides for an open rule, with 4 hours of debate for the consideration of S. 3 which is entitled "Appalachian Regional Development Act of 1965." The rule also makes in order as a substitute H.R. 4466, a bill entitled "The Resources Development Act of 1965" which was introduced by the gentleman from Florida [Mr. CRAMER]. Incidentally, the word can be pronounced Appa-lay-chian, or Appa-latch-ian according to the dictionary.

S. 3 is an extensive, quite complicated, and controversial measure. I call your attention to the minority views starting on page 33 of the report which are signed by 9 members; to the additional views commencing on page 59 signed by 5 members; and to the additional views of the gentleman from New Hampshire [Mr. CLEVELAND] on page 76.

S. 3 would establish a special massive Federal assistance program for the so-called Appalachian region which consists of 360 counties in 11 States. The 11 States are Alabama, Georgia, Kentucky, Maryland, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and New York. The bill establishes an Appalachian Regional Commission, consisting of one representative from each of the 11 States, who will be the Governor or someone appointed by him, and a Federal representative who will be Cochairman. This Commission is authorized to develop plans and programs, and establish priorities for projects under the bill, and no Federal grant-in-aid or assistance program or project provided for in S. 3 can be implemented until plans therefor have been recommended by the Commission. Any decision made by the Commission requires the affirmative vote of a majority of the State members.

The major portion of the bill, which accounts for 77 percent of the funds authorized, is for the establishment of a new Appalachian development highway system, to consist of 2,350 miles, and the construction of an additional 1,000 miles of local access roads, for which \$840 million is authorized to be appropriated to pay up to 70 percent of the cost of construction. An additional \$252,400,000 would be authorized to be appropriated to defray the Federal costs for the first 2 years of other programs contained in the bill, which include the construction and operation of health facilities; a program for land stabilization, conservation and erosion control; technical assistance and loans for timber development organizations; the restoration and rehabilitation of mining areas and for a nationwide study relative to rehabilitation of strip and surface mining throughout the United States; a comprehensive water resources survey of the Appalachian region to be made by the Secretary of the Army; construction of vocational education facilities and sewage treatment works, a reenacted accelerated public works program for the Appalachian re-

gion alone, which would increase to 80 percent the Federal share of the cost of construction or equipment of facilities under all Federal-aid programs authorized by this bill, and such other programs provided for in existing law, except for the construction of highways, for which funds are available under the act authorized by such program; and, for certain administrative expenses and research and demonstration projects.

The total Federal funds authorized by the bill is \$1,092,200,000; however, this amount will finance the program provided for in the legislation, other than highways, for only the first 2 years, and additional funds will have to be authorized in the future for the remaining 4 years of this 6-year program. The administration has been unable to estimate what the total cost of this program will be over the 6-year period; however, some have suggested that it may be as much as \$4 billion.

Last year the other body passed a bill quite similar to the one under consideration here today. The House did not act. You may recall that during the campaign, statements were made that this program would be one of the first orders of business this session. So, at least to some extent, we are being called upon to consider this measure because of administration campaign promises.

Every one of us sincerely hopes that no citizen will live in poverty, that every State will prosper, and that no areas will suffer if we can avoid it. But to select certain areas and attempt to lift them up whereby they will be on a par with other areas, simply by taxing and spending money from the other areas, seems to me to be an impossible thing to do.

In my opinion, this is a bad bill for the following reasons:

First. It would provide preferential treatment for one region of the United States, and thereby discriminate against all other areas of the Nation, some of which have equal or greater poverty, unemployment, and lack of economic development.

Second. There are no standards, based upon need, for determination of the eligibility of areas within Appalachia for which Federal assistance may be provided, and the bill provides assistance for prosperous as well as depressed counties. Seventy-six of the 360 counties do not qualify as eligible areas under the Area Redevelopment Act or the Public Works Acceleration Act.

Third. The Appalachian Regional Commission could be federally dominated by the Federal Cochairmen, whose vote on the Commission is equal to that of the 11 States, thereby giving him complete veto power over all programs and projects to be authorized by this bill. This places State and local officials in a subservient position to this Federal czar if they wish to get programs and projects approved.

Fourth. The highway program is particularly discriminatory against other parts of the country, for it authorizes an additional highway program for the Appalachian region alone, which is almost as large as the annual program for construction of Federal-aid primary and

secondary highways and their urban extensions in all of the 50 States, in which regular program Appalachia already participates.

Fifth. It provides 80 percent Federal grants for land improvement, which would increase cropland and pastureland production, and promote uneconomic farm units, at a time when there is an overproduction of beef and crops in the country, and when the Government is paying farmers to take other and more productive land out of production.

Sixth. It reenacts the objectionable and ineffective Public Works Acceleration Act program, as applied to the Appalachian region, by increasing to 80 percent the Federal share of the cost of projects for which Federal grants-in-aid are provided for the construction or equipment of facilities under this bill and other existing Federal grants-in-aid programs, except for the construction of highways, which is even an increase over the 50- to 75-percent Federal share made available under the Public Works Acceleration Act.

Mr. Speaker, as I mentioned earlier, the rule will make it in order to substitute the language of H.R. 4466, the Resources Development Act of 1965, which is printed in the report of the Committee on Public Works on S. 3, commencing on page 60.

This substitute attempts to avoid the objectionable features of the Appalachian bill. It would extend Federal financial assistance to all areas throughout the United States which qualify as eligible areas under the Public Works Acceleration Act or the Area Redevelopment Act, and not just to a single project or to a prosperous advanced area.

It would authorize programs and projects to be initiated by State and local officials and to be administered by existing Federal officials, rather than creating a new Federal regional level of government that would have the ultimate control over programs and projects.

The substitute bill would authorize the appropriation of funds, with varying State matching requirements, for the period ending June 1967, for the following purposes and amounts of money:

	Millions
Economic development highways.....	\$800
Demonstration health facilities.....	82
Timber development organizations....	10
Mining area restoration.....	43
Water resource study.....	5
Vocational education facilities.....	32
Sewage treatment works.....	12
Grants for administrative expenses of local development districts and for research and development projects..	11
Total.....	995

Mr. Speaker, if we embark on this new program for Appalachia, I wonder how long it will be before there will be similar programs requested for other so-called depressed areas, such as the Ozarks, or parts of the Northwest United States and other regions. We could eventually have several regional commissions operating in various parts of the United States, all in conflict and in duplication with existing Federal programs. How long will it then be until supply and demand, com-



petition, and our free enterprise system will become things of the past? Certainly the nondepressed areas are having their tax problems today on a local, county, and State level. Are we going to eventually destroy them and have the entire United States turned into a depressed area?

I do not know the answer Mr. Speaker, but I am concerned over a program such as this. I think it is wrong. But if the majority so desires, it seems that the substitute, which is a proposed nationwide measure, treating labor and depressed areas alike, is preferable to the Appalachian bill.

I understand that some 18 amendments were offered in the committee, that none were accepted, and that S. 3 was practically "steamrolled" through. I assume many of these amendments will be offered here.

I know of no objection to the rule, Mr. Speaker, and reserve the balance of my time.

(Mr. MARTIN of Nebraska asked and was given permission to revise and extend his remarks.)

Mr. MARTIN of Nebraska. Mr. Speaker, we have before us today on the floor of the House for consideration one of the most ill-conceived bills that has ever come before this body. The measure that is before us today was adopted in the Senate, sent over to the House, and after only 3 days of hearings in the Public Works Committee was reported out of that committee without the acceptance of a single amendment.

As a consequence, passage of this bill by this body will immediately send the legislation to the White House. It will not go to conference, and you will not have another opportunity to vote on this measure.

I want to confine my remarks today to two sections of the bill, section 202 in regard to health facilities, and section 203 in regard to land stabilization, conservation, and erosion control.

Section 202 in regard to health facilities, Mr. Speaker, sets up a 100-percent socialized medical program in the United States, notwithstanding the fact that the Committee on Ways and Means, the committee which is properly charged with jurisdiction in this field, has had extensive hearings on this subject and is currently in the process of marking up a bill.

Under the provisions of section 202, \$41 million would be authorized to be appropriated for the construction of hospitals and health facilities, and \$21 million would be authorized to be appropriated to take care of the operating expenses—bear that in mind, the cost of the operation of these hospitals.

What does this mean? I asked the chairman of the subcommittee in our hearings before the Rules Committee last week what "operation" meant. I said, "If some people came into one of these hospitals and they did not have sufficient funds to take care of their expenses, are they going to get free hospitalization, free doctor's care, free operations, free drugs, free medicine?"

Do you know what the reply was? "Yes, that is exactly what this bill would do."

Mr. Speaker, we are going all the way in this legislation. We are not going the limited way that the King-Anderson bill proposes, we are going all the way down the road to 100 percent socialized medicine in section 202 of this bill. This section should be deleted before final passage.

Let me talk to you about section 203. This is the part of the bill that has been changed somewhat, but only in a minor way, from the legislation that was before us last year passed by the Senate but on which no action was taken by this body. This was H.R. 11946 which was considered in the 88th Congress.

Let me read to you one or two lines from section 203 in the bill that we considered last year:

Conveyance to any landowner under this section shall not exceed 80 per centum of the cost of improving or developing twenty-five acres of pasture land owned by said landowner.

Let me read to you the bill under consideration, S. 3. This is on page 18, line 20:

*Provided*, That grants hereunder shall not exceed 80 per centum of the cost of carrying out such land uses and conservation treatment on fifty acres of land occupied by such owner, operator, or occupier.

What have they done? They have doubled the amount of land which can be assisted under this program up to 80 percent of the cost. In the bill last year, the benefits were to accrue only to the owner, but this year that has been enlarged also. In addition to the owner, the operator or the occupier of the land may qualify for this 80 percent grant.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I am sorry, I do not have much time left.

Mr. COOLEY. I just want to ask, What is an "occupier"?

Mr. MARTIN of Nebraska. I do not know. We would call him a renter out in our country in Nebraska; but that is the language of the bill, "owner, operator, or occupier." So you can see the terms of this section of the bill have been greatly broadened.

There was a great deal of talk last year that this particular section of the bill, and it is so stated in the report, was going to lead to the introduction of a cattle industry in the Appalachian region; in fact, it was hoped and predicted that eventually a million head of cattle would be brought into this area. Now we have had a change in the wording of the bill this year. We have had some changes in the wording of the report accompanying the bill. We have been assured by some of the members of the Public Works Committee that we need have no fear in this regard. Let me read from this report. This is on page 14:

If the land of the Appalachian region is to play a role in the improvement of the economic level of the area, the acreage which currently is submarginal must be provided with a productive vegetative cover and other treatment measures in order to check its deterioration.

On page 15 of the report, it is stated: The problem in Appalachia is fundamentally one of erosion of the hillsides. Such practices as terracing, upstream tanks,

flood-control ponds, and the planting of leguminous crops can be of great long-range benefit.

I checked the definition "leguminous crops" and this is what it says in the dictionary:

Any plant of the family leguminosae especially one used for feed, food, or soil improving crops.

Feed is used by livestock, by animals. Page 15 specifically says they are going to cover this area that has been denuded with protective cover. This is alfalfa, clover, and other grasses in that same category. It is only used for one purpose, to graze livestock, cattle. We have had a doubling of the number of acres in this bill over the bill we had last year, from 25 to 50 acres. The report on the bill last year stated that they are hoping to bring in a million head of cattle into the Appalachian region and to build up a cattle industry. They have doubled the acreage. Perhaps they hope to bring in 2 million cattle in the coming years under this program.

We have a very serious situation in the livestock industry today. We not only have overproduction, but we have tremendous imports of meat and beef from foreign countries that have drastically depressed the price of beef and cattle in our American market, and our cattlemen are faced with disastrous losses. Yet here we are to the tune of a \$17 million subsidy going to set up a livestock industry in the Appalachian region under the terms of section 203 in competition with our ranchers and our feeders in private enterprise who are operating on their own funds under the American free enterprise system.

This is wrong, Mr. Speaker. I hope this section is taken out of the bill, and if that is not possible, I hope an amendment is adopted to prohibit specifically the use of any of this grassland that is planted under this program from being grazed by livestock, so that we need have absolutely no fear of any competition from the Appalachia region.

The SPEAKER. The time of the gentleman has expired.

Mr. SMITH of California. Mr. Speaker, I yield 5 minutes to the gentleman from New Hampshire [Mr. CLEVELAND].

Mr. CLEVELAND. Mr. Speaker, I would like to state at the outset of my remarks that the rule which has been granted for the consideration of the Appalachia bill is quite fair. I would also like to say that the majority of the public works ad hoc special committee that considered this legislation was also extremely fair in treating the minority and differing opinions on this legislation.

But, Mr. Speaker, I am sorry that I cannot say that this legislative proposal itself is fair. I wish to speak on several points by which I will underscore the essential unfairness of this act.

#### THE NAME OF THE GAME IS PREFERENTIAL

First of all, Mr. Speaker, it is not necessary to state the fact that this is unfair legislation from my lips. I would like to quote you from the record of our hearings on page 42, Mr. Sweeney, Chairman of the Federal Development Planning Committee for Appalachia:



The name of the Appalachian game is preferential treatment.

In black and white the administration's witness has etched the hallmark of this legislation.

What this legislation does is to favor large areas over the small, the big over the small. This has been a regrettable trend in government today which I view with great alarm.

I wonder how many people in this House realize that one-half of the TVA service area is in Appalachia and that one-third of the Appalachia area is in TVA area. I wonder how many people really realize that this bill which is being offered to help the poor and the needy, includes the city of Pittsburgh, Pa., the favored town of Huntsville, Ala., the richest area of Alabama, and the Spartanburg area of South Carolina. Indeed, the wealthiest county of that fair State is located in Appalachia.

#### LEGISLATION IS UNFAIR

Mr. Speaker, this legislation is unfair. For the first time this House is authorizing the building of national highways on a sectional and discriminatory basis.

Many of you in this House have received letters from people in rural areas protesting the administration's cutting of soil conservation funds. The soil conservation program is designed to help small farmers in small areas. At the same time the administration is cutting soil conservation funds nationally, it is pouring an almost equal amount of money into Appalachia, to beef up soil conservation programs there.

This bill on its face is meant to help small rural communities. But read the transcript of the testimony. The administration openly admits there is no help for the small "ribbon" towns, as they call them in the valleys of Appalachia. The whole theory of the bill is to build up only those wealthy areas where in the terms of the bill there is a significant potential for future growth. In other words, this bill deliberately is encouraging the prosperous areas of Appalachia to become more prosperous.

#### JOB PIRACY AND INDUSTRIAL PIRACY

This is the essential unfairness of this legislation—by building up these centers of prosperity in Appalachia they help to lure into the Appalachian area more jobs and more industries, and this is why, in my additional views I call this an act of piracy. This is an act of job piracy. It is an act of industrial piracy, because the industries that are lured into the Appalachia area will have to come from someplace, and they are going to come from Indiana, and New Jersey, and New York, and they are going to come from New England; they have to come from somewhere.

The whole purpose of the Appalachia bill is to build the roads, to build the hospitals, to build the sewerage plants, to build the airports, to build the vocational schools, to build the libraries, to develop timber resources, to develop watershed resources, and to develop soil conservation, all with up to 80 percent of Federal money. Thus the area will be so attractive that no industry can refuse a bid

to come there. This is why it is an act of job piracy, an act of industrial piracy. This is why the bill is essentially unfair to those States and communities who also need new industry, but whose own tax dollars are thus financing their competition.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

Mr. JONES of Alabama. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region.

The SPEAKER. The question is on the motion offered by the gentleman from Alabama.

The motion was agreed to.

#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 3, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Alabama [Mr. JONES] will be recognized for 2 hours, and the gentleman from Florida [Mr. CRAMER] will be recognized for 2 hours.

Mr. JONES of Alabama. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. FALLON], the chairman of the committee.

Mr. FALLON. Mr. Chairman, I recommend immediate passage of the Appalachian Regional Development Act of 1965. I do so without reservation and with deep conviction—conviction that we all have a great stake in the provisions and purposes of this piece of legislation. For while geographically the Appalachian region may be far removed from many of our districts, economically its problems and, more important, its possibilities, are very close to us all.

For example, the great State of Hawaii is some 5,000 miles from Appalachia. Yet both of that State's Senators, representing different political parties, supported and voted for this bill in the Public Works Committee and on the floor of the Senate. What they saw was that the development of this strategically located region is of great economic importance to the whole country.

Basically, the problem in Appalachia is income level. The per capita income there is some 39 percent below the National average. If Appalachians had the same buying power as the average American, there are few industries in few districts that would not benefit. The 16 million Appalachians could buy more new cars from Detroit, more produce

from our farm States, more clothes from the textile industry, and, of course, more products from every State.

But it is not only as a market that Appalachia has potential. For the people and the land there are capable of much industry: the kind of industry best suited to the growth potential of all the parts of the region. As a producer of jobs, products and income, Appalachia has several natural advantages. One of the most important of these is its central location. Appalachia lies between the Boston-Norfolk on the East and the lower Great Lakes population centers on the West. By 1980 these two areas will have a combined population of some 67 million—67 million who will want to tour through the scenic beauty of Appalachia, who will buy Appalachian products, and who will supply Appalachian needs.

But before all this will be possible, much has to be done. The legislation before you now will enable Appalachia to do it. I emphasize the fact that Appalachia will do the job, for this program is not one of support, but one of development. Certainly the resources of the Federal Government are being made available, but in close conjunction with State and local resources. For I believe that the most impressive thing about this program is not the money that will be spent, but the effort that will be organized—on all levels of government.

We have had evidence of this in the two-session history of this legislation. We have heard testimony from more than a dozen departments and agencies of the Federal Government and from the Governors of the 11 Appalachian States. The fact that the program was first requested by the States themselves, and is tailored to their needs, rights, and responsibilities augers well for its success.

Now I am fully aware that sometime during the course of the debate on this bill, someone will say "the Appalachian program discriminates against other regions." If discrimination is defined as helping one region so that all regions will benefit, then this program discriminates. My own district is not in Appalachia, but I know that the port and city of Baltimore will benefit in many ways from an economically active Appalachia.

If conditions in Appalachia are holding down the level of our overall prosperity—and they are—employment, income, and retail sales there are all substantially below the national average—then I do not believe it is discriminatory to take measures that will eliminate such conditions. It is apparent that one way to develop our economy so that it will realize its greatest potential is to develop the lagging economy of Appalachia. In that pursuit Baltimore or New York, Los Angeles, Kansas City, Miami, Detroit, or Seattle all have a significant interest.

I know I speak for many when I say that this program is governmentally proper and progressive and economically sound and essential. There have been some questions asked and objections raised to the provisions of this bill. In



its 2-year trip in Congress, all of these have been answered, met and, in many cases, incorporated into the legislation before you now.

It is the consensus of those who proposed, those who drafted, and those who will carry out this program, that it is the best possible answer for the problems and prospects of the Appalachian region.

I specifically invite your attention to those provisions of the bill which fully preserve and utilize the roles, rights, and responsibilities of the States. No project may be initiated in a State without its specific approval. Only the State's representative on the proposed Commission may recommend a project for that State. There is no giving up of State's prerogative to the Federal bureaucracy—indeed, the Appalachian Regional Commission itself is composed of State representatives who will have an equal voice with the Federal Cochairman.

As for the Federal Government, this program requires no new agency or vast bureaucracy to administer it—only a small staff to coordinate the efforts of existing programs and agencies.

And the dollars to be spent? I would characterize them as not massive but modest—and repayable many times over by way of the benefits that will flow from an economically healthy Appalachia.

I believe most of you are familiar with the essential elements of the program embodied in this legislation. I would only stress that in the field of human resources, there is no overlap with the efforts of the Office of Economic Opportunity. The money originally scheduled for this section has been deleted from the bill before you now and has since been made part of the President's war on poverty.

In conclusion, I would like to commend the Governors of the Appalachian States for their initiative and great contributions to this program. I would also commend the President's Appalachian Regional Commission and Franklin D. Roosevelt, Jr., for the tireless effort they have put into the research on, analysis of, and answers to, the problems of Appalachia.

I think it was Benjamin Franklin who once said that "there is nothing so uncommon as commonsense." That is a charge too often made against the Government, but I would emphatically say that this program for Appalachia is the commonsense of economic development. It is the intelligent use of the best that Government can offer to answer the needs of the people it serves. In Appalachia it will mean that a proud and determined people can be a contribution to prosperity and no longer an example of poverty. For I believe that the program in the bill before you now gives Appalachia what it needs most—a future and not just more of the present.

Mr. JONES of Alabama. Mr. Chairman, I yield myself such time as I may consume.

(Mr. JONES of Alabama asked and was given permission to revise and extend his remarks.)

Mr. JONES of Alabama. Mr. Chairman, when the House approves S. 3, a 5-

year effort will be completed. This bill had its beginning in 1960 when the first meeting of the conference of Appalachian Governors was called together by Governor Tawes, of Maryland.

The conference of Appalachian Governors studied the problems of the Appalachian region for a period of 3 years—they then requested the help of the Federal Government to complete the work.

In April of 1963, President Kennedy created the President's Appalachian Regional Commission and directed it to report back to him with a program of action to meet the needs of the people of Appalachia.

One year later the Commission presented its report to President Lyndon B. Johnson. President Johnson's response was immediate. He submitted to the Congress the bill which is now before us, with minor changes worked by the Senate.

This bill is one of the most carefully drawn and well thought out pieces of legislation that I have seen.

It is not a pie-in-the-sky measure.

It is not the product of dreamers, but the product of men and women who have looked carefully at the difficulties this region has faced for more than a century. It contains hard practical solutions to these difficulties.

The Appalachian region stretches from the New York border down through and past the great steel city of Birmingham in my own State of Alabama.

The most striking feature—and the root cause of its more severe problems—is one of the oldest mountain ranges in the world—the Appalachian chain. Beneath those mountains lies some of the richest coal deposits of the world. These deposits have provided this country with more than half of its coal needs.

On the surface of those mountains once stood one of the world's greatest prime hardwood forests. That forest was stripped away to provide the housing and the railroad ties and the mine timbers which have contributed so much to the growth of this Nation.

And on these once heavily forested slopes, one of the highest average rainfalls in the country is deposited.

Scattered among the hollows and the valleys of this mountain range there are more than 16 million people.

Some of them live in the great cities of the region. But most of them live in what the President's Appalachian Regional Commission described as "ribbon towns."

The majority of the Appalachian are classified as rural, yet they do not farm. They are strung out in clusters of population trying the very best way they know how to support themselves and their families.

Because of these 16 million people, an independent people, Appalachia must be looked on as a land of promise—just as this great Nation of ours has always been regarded.

All that is needed to realize the kind of assistance that will enable the Appalachian themselves to solve their own problems.

That is what this bill is intended to provide—a minimum base of assistance

upon which the Appalachians can build their own economy and standards of living.

Here are the highlights of this bill. The great mountain chain has been a barrier to commerce and prosperity since the Nation was founded. The settlers who moved west skirted the chain at the top and bottom or slipped through the mountain gaps to the more fertile land of the West. The first major item in the Appalachian bill is the program of highway construction to overcome the isolation which the mountains have created.

We are asking for an authorization to construct 2,340 miles of major arterial roads to open up regions that now have no access. We also are asking for the construction of 1,000 miles of access roads to link up specific locations with the major highways.

One of the most serious problems which faces the region is its lack of adequate health facilities.

These facilities are needed to attract industry and tourist investment and they are just as important as the highways.

This bill provides a series of construction grants for regional health centers, each of which will serve a cluster of counties. We have also provided funds to meet the deficit in operating costs in the first years of operation of these centers.

The steep slopes of the Appalachian mountains put useful land at a premium. This bill contains three major programs to insure that every square foot of useful land is developed to its fullest potential.

First, we have provided a series of grants to control erosion and promote soil conservation. A landowner may obtain up to 80 percent of the cost of the conservation practices that are essential to restore up to 50 acres of his land, so that it can be used properly.

Second, a series of grants and loans are provided for small landowners to improve their timber stands.

Third, we have drafted a comprehensive program that will assist in restoring land that has been damaged by past mine practices.

Under this program, the voids left by underground mining can be filled in. Underground fire can be extinguished. The refuse piles from past mining can be removed. There are also funds to begin a program of restoring publicly owned lands that have been damaged by past strip mining.

To develop the best possible program for exploiting the heavy annual rainfall in the region, this program authorizes a comprehensive study to be coordinated by the Secretary of the Army with the assistance of all Federal, State, and local agencies.

In the past, most Appalachians have earned their income from three major activities—coal mining, lumbering, and farming. Each of these occupations has declined over the past quarter of a century. Each has declined nationally, but the effects in Appalachia have been particularly severe. That means that new skills must be provided and for that reason we have included in this bill a pro-



gram that will accelerate the construction of vocational education facilities in Appalachia.

The great rivers and streams of this region offer a great attraction to industry and tourism. In order to provide for a better quality of water in these streams and rivers, we have provided funds to accelerate and expand the construction of waste treatment plants in Appalachia.

One of the most severe problems in the region is the low tax base in the majority of Appalachian States and communities. This low tax base creates several problems.

First, it prevents the Appalachians from providing for themselves an adequate level of public facilities and public services.

Second, it lessens their ability to take advantage of existing Federal grant-in-aid programs designed to provide those public facilities and services.

The Hill-Burton program of hospital construction is not utilized fully in the region because local matching funds are not available.

Airport construction has been retarded because the States or communities cannot match the program of the Federal Aviation Agency. The same is true in federally assisted programs for colleges and junior college construction, small watershed protection, sewage treatment facilities construction, vocational education school construction, educational television station construction, and other similar Federal grant-in-aid programs.

This bill establishes a fund which can be used to raise the total Federal contribution, within any of these construction and equipment programs, to 80 percent of the cost of the project.

The Appalachian people have taken many steps to raise their own standard of living. But because they do not have the financial means—they cannot obtain for themselves the skilled advice and counsel so necessary in modern America.

This bill provides a series of grants which will enable local communities to hire development specialists to guide them in their own bootstrap efforts. Grants are also provided to undertake economic development research to obtain better answers to the problems facing each section of Appalachia.

Finally, this bill creates an Appalachian Regional Commission. The Commission is charged with the planning and coordination of this new investment program. It will be composed of representatives of the 11 Appalachian States and one Federal member who will speak for the entire Federal Government.

In order to take action the votes of a majority of the State members and the vote of the Federal member are required. Thus the States cannot be imposed upon by the Federal Government. The Federal Government cannot be imposed upon by the States. A mutual purpose—a mutually satisfactory program—is essential.

All projects and proposals for the expenditure of funds under this program must originate with the States. No project and no program can be implemented in a State unless that State approves. In short, Mr. Chairman, this new Com-

mission represents one of the strongest programs I have ever seen in the field of State-Federal relations.

It is a States rights program—it is even more a States responsibilities program. It represents a wise attempt to restore the vitality of our Federal system of Government. I believe it creates the kind of partnership between the States and the Federal Government which we have always sought but have never quite established.

In explaining the highlights of a bill as comprehensive as this, it is easy to lose sight of the major objective. I have always believed that politics and government can only have one objective. I believe that objective can be simply stated. We hold public office to insure that people have the means, the tools, the instruments, which will enable them to develop their full potential and to live a life of dignity.

I believe that this bill does that and only that. It is not a handout. It is rather a hand held out. It offers encouragement and promise. It is a hand which I believe will be grasped by the people of this region and in so grasping they will be able to pull themselves up a life of dignity and self-respect.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Oklahoma.

Mr. ALBERT. I want to associate myself with the remarks of the distinguished gentleman and congratulate him on his very lucid statement on this bill. I also commend him on the fine job he has done in bringing this bill to the floor of the House today. The gentleman, of course, for many years has been a constructive and outstanding member of the great Committee on Public Works. This bill which he is managing today is evidence of the character and quality of his service.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. Mr. Chairman, I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I am very pleased that the majority leader has made the remarks he has made about the outstanding legislative job that has been done in connection with this program by the gentleman from Alabama who is in the well of the House today. The hearings which were conducted on this particular program were hearings that lasted late into the day. The sessions that were conducted to mark up this bill were long and the discussions were often complicated. The feelings of the committee members in connection with this bill were very strong on a number of points in connection with it. The gentleman from Alabama did an outstanding job as the chairman of the subcommittee which handled this legislation. He demonstrated great tact, great understanding, and great firmness throughout the hearings and during the markup of the bill. Every citizen of the Appalachian region owes a great debt of gratitude to the gentleman from Alabama [Mr. JONES] for the statesmanlike job he has done in connection with this legislation.

Mr. JONES of Alabama. The gentleman is very kind. I would like to say that all the members of the committee were attentive and they worked as carefully as they could, both on the Democratic and the Republican side of the committee. It was a refreshing experience to me to serve as chairman of a subcommittee which has such devoted, understanding, and dedicated people in the consideration of this major piece of legislation.

Mr. McCLODY. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman.

Mr. McCLODY. I am not familiar with the gentleman's chairmanship of the subcommittee which held hearings on this particular piece of legislation, but I do know intimately of the gentleman's chairmanship of the Subcommittee on Natural Resources and Power, a subcommittee of the House Committee on Government Operations. I know of the gentleman's thorough investigation of the subject of water pollution and the subject of our water resources not only in the area of Appalachia but throughout the Nation.

I am particularly interested in the presentation that was made on the subject of the abandoned mines in this area. I do know the gentleman's concern about the problem of pollution as a result of acid mine drainage. I was wondering whether a program for combating or reducing acid mine drainage in this area is provided in this legislation. It is my understanding that most of the acid mine drainage pollution, at least the most serious conditions are in the area now covered by this legislation. I would like to know whether or not this legislation provides a program dealing with this problem.

Mr. JONES of Alabama. As the gentleman from Illinois well knows, we had information from the Department of the Interior last year to the effect that they had under study at that time the problem of acid mine drainage, particularly in West Virginia and Pennsylvania. That study will be extended under the terms of this bill. The conclusions of the Department of the Interior have not been formulated as of this moment. That is our information at least.

Mr. McCLODY. I thank the gentleman.

The CHAIRMAN. The gentleman from Alabama has consumed 21 minutes.

Mr. CRAMER. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, this bill was before the House Committee on Public Works last year. It went from the Committee on Public Works to the House Committee on Rules last year and after rather exhaustive hearings before the Committee on Rules last year, it was not acted upon by the Committee on Rules. This year, of course, it is again before the House.

In my opinion, the bill which has come before the House is a basically discriminatory bill.



I would like to use this map to show why. This map shows in the dark green areas, the areas that qualify under the Area Redevelopment Act, section 5(a) for special financial relief under the area redevelopment bill. Those are the dark areas. You will see many of them in northern Michigan and northern Wisconsin and up in northern Idaho and northern Washington and in the lumber regions of California and other areas.

This map also shows, in the lighter green, the areas which qualify under the Area Redevelopment Act for special financial assistance for agricultural areas when their average income is not as high as it otherwise should be.

Members will see these lighter green areas in a large part of the State of Mississippi, a considerable part of the State of Texas, a large part of the State of Oklahoma and other States, as well as a great part of New Mexico and Arizona and many other areas, such as the northern part of Michigan. Those qualify under this particular section.

The third area on the map is shown in yellow, or perhaps orange would be a more appropriate description. These are the areas which qualify under the Accelerated Public Works Act for special financial assistance.

I might say that the Accelerated Public Works Act by its formula includes in its coverage all those areas which fall under the ARA bill plus additional areas which have what is termed excess or surplus unemployment. So the areas in gold or in yellow are those beyond the scope of the ARA bill that were also covered by the public works acceleration bill. Therefore, we find a considerable number in New England and a considerable number scattered through California. I might say there are none in my district, but some in other parts of California. There are a number in Oregon, Wyoming, and elsewhere, and a number all through the Southern States.

In my opinion, the discrimination in this particular bill is that this bill, the Appalachia bill, states that the only area under the bill which is entitled to the relief described in the bill is the specifically defined area defined as "Appalachia," with all the counties that fall within that defined area, no matter what may be their own individual qualities from the standpoint of surplus unemployment.

As it happens, therefore, an area which has just as high a degree of unemployment in northern Michigan or in northern Wisconsin or in the State of Washington or in the lumber region of the State of California, or perhaps even a higher degree of unemployment, cannot qualify for the various special benefit programs which the areas within the defined area of Appalachia can qualify for.

But there is an even worse problem of discrimination involved in this bill. It is not only true that areas with equal unemployment outside of Appalachia cannot qualify for the same benefits the areas in Appalachia can qualify for, if they have similar unemployment, but also there are today more than 70 counties in Appalachia which do not qualify

under any of those programs—the ARA programs, either section 5a or section 5b, or the accelerated public works program.

If Members have copies of the committee report which we put out on the Appalachia bill, they will find on page 57 a list of the counties which do not qualify under any of these programs as counties that would qualify under ARA or APW; and they, in the last tabulation, February 10, 1965, total 76 in number out of 360 counties within the defined definition of Appalachia.

Let me tell Members what those 76 counties nevertheless can do. Those 76 counties are in themselves not depressed. In themselves they do not meet the test of ARA. In themselves they do not meet the test of accelerated APW. Those 76 counties in themselves are not depressed and, I might say, included in those 76 counties is the county in South Carolina which has the highest per capita income in the State, the county in Alabama which has the highest per capita income in the State, counties in Tennessee which the Governor of Tennessee before our committee last year acknowledged were not depressed, counties in Virginia which the official representative of the State of Virginia before our committee last year testified were not depressed—in fact, he said that some of them had practically the lowest rate of unemployment in the United States. Those 76 counties which do not have surplus unemployment and are not depressed nevertheless under the terms of the bill can qualify for all these special benefit programs, extra funds, and other items.

Let me say that all of these counties can qualify anyway under the antipoverty bill and all of these counties can qualify under the vocational education bill and all of these counties can qualify anyway under the manpower retraining bill. But these 76 counties which are in themselves not depressed, besides qualifying under all of those programs, can come in and get a second layer of benefits. They can get additional library aid, additional airport aid, and additional aid for construction of sewers that your counties cannot get if you happen to come from States outside of Appalachia, even though your counties may be depressed and therefore appear as a green-colored or gold-colored county on this map.

This is rank discrimination to me to say that a county which has a deep green category, with excess unemployment, or a deep gold category, with excess unemployment, located in upper Michigan or upper Minnesota or in Wyoming or in Oregon or Washington or the lumber region of California, has to pay special additional taxes in order to make it possible for 76 counties within the defined definition of Appalachia to get this special aid even though these 76 counties themselves are not depressed and do not meet the test of a depressed area. It is discrimination to give them a second separate layer of assistance which they are not rightfully entitled and should not receive. In my opinion, this is rank discrimination, and I do not think it should occur.

Mr. Chairman, I offered an amend-

ment in the committee to restrict the application of this bill only to those counties in Appalachia which met the test under the APW bill of depressed counties, because if this bill is designed to meet the need of depressed counties, it seems to me it should be a rifle approach and be concentrated on counties that actually have some depression in them and have some excess unemployment in them. I offered an amendment in the subcommittee and in the full committee to limit the application of this bill to those counties which met that test. That amendment was defeated both in the subcommittee and in the full committee, although by a narrow vote. However, in my opinion, this is the only proper amendment which will make this bill even barely palatable to those who feel there is some justification for a regional approach. I might say there is a serious doubt in my mind as to whether such a regional approach should be used. I think it is much fairer to use the approach that will be offered by the gentleman from Florida [Mr. CRAMER] in the form of a substitute which will make all counties in the United States which qualify under the ARA or the APW equally eligible for equivalent aid for the needs they must meet.

I might say that I cannot conceive of this House in good conscience allowing this bill to go through this House and forcing counties in other parts of the United States, which themselves are extremely depressed and have surplus unemployment, to pay additional taxes in order to pay for excess benefits for counties in another area although some of these counties have the highest per capita income in some of the States of our Nation.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. JONES of Alabama. Mr. Chairman, I yield 10 minutes to the gentleman from Texas. [Mr. WRIGHT].

Mr. CLARK. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman.

Mr. CLARK. Mr. Chairman, I would like to point out to the Committee this afternoon that the gentleman from California [Mr. BALDWIN] who just spoke is suggesting that APW and ARA should be put into this bill. I am wondering if this is what he really meant and whether or not if an APW bill came before the Congress or another ARA bill came before the Congress he would support it.

Mr. BALDWIN. Mr. Chairman, in answer to the gentleman's question if my amendment is adopted which limits aid to the Appalachian region and only to those counties that meet the test of APW, I shall vote for the bill.

Mr. CLARK. Will the gentleman vote for an APW bill as such?

Mr. BALDWIN. I have just answered the gentleman's question.

Mr. CLARK. I thank the gentleman.

Mr. WRIGHT. Mr. Chairman, your Committee on Public Works last year and this year devoted a total of 32 separate sessions to the consideration, drafting, and perfecting of this bill that we



have before us today. It has not been hastily devised nor quickly considered. It is, of course, one of the important legislative recommendations of our President. In the bill as it appears before us today are contained a number of amendments and suggestions which arose from the minority side during our consideration of this bill in the Public Works Committee last year. Contained also in the bill is a considerable amount of language suggested by the Governor of Pennsylvania, Mr. Scranton. It is in that sense a bipartisan product of the efforts of the President, the Governors of the Appalachian region, the Members of the other body, and of the Public Works Committee of this House.

I think a reference to the map which was cited in the speech just concluded by the gentleman from California [Mr. BALDWIN] will furnish any Member of this House quick and visible proof that this mountainous region known as Appalachia, stretching diagonally across the better part of 11 States, is unquestionably the largest and the longest lived depressed area anywhere in the United States. Family income within the Appalachian region lags fully 35 percent behind family income in the rest of the country. Unemployment in the Appalachian region is some 3 percentage points higher than it is for the rest of the country, and in certain sectors of the rural interior of Appalachia unemployment is reaching toward 10 percent.

Due to the rapid deterioration and decline of coal, timber, and marginal farm operations, the three pillars upon which the economy of this region was historically based, the people living in the Appalachian area have not shared in the prosperity and the progress which have been the lot of the rest of us in the 1960's.

Due to the rugged terrain and the inaccessibility of the vast rural interior of this region, industry has been discouraged from providing the wellsprings of development from which a new prosperity could flow.

Surely this generous and humanitarian nation of ours, which has given so unstintingly of our resources and of our substance to aid the underdeveloped areas overseas and throughout the world, will not now turn its back upon this vast underdeveloped area within our own borders. Charity, we are told, begins at home, though it need not necessarily end there. Yet certainly our primary responsibility is to those pockets of general need in our own country.

Much has been said today by the opponents of this measure to the effect that the bill provides a discriminatory favoritism for one region of the country. The implication is thus left that the bill is somehow unfair to the rest of the country. It must be admitted that it is a regional concept.

Now, Mr. Chairman, there is nothing new about that. From the very beginning of our Republic, it has been the policy of our Government to approach the problems of those less-favored, less-privileged regions of the Nation with strictly regional solutions. As early as 1785, just a very few years after the in-

ception of the Republic, in the passage of the Northwest Land Ordinance, the citizens who lived along the relatively more prosperous and more developed eastern seaboard were asked to share of their bounty with those who lived north and west of the Ohio River.

Mr. Chairman, today there is not a single State in this Union which has not been to one extent or another the beneficiary of some essentially regional program of the Federal Government.

I would remind those of our colleagues who live in the 17 Western States that the reclamation program on which we have spent nearly \$5 billion is essentially a regional program. It applies only to those Western States, and they are the primary beneficiaries of its works.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield at that point?

Mr. WRIGHT. I would be happy to yield to my distinguished colleague from California.

Mr. BALDWIN. As the gentleman knows, under the reclamation program the users of the water have to pay back the amount of the investment over a 50-year period. If you offer such an amendment to this bill that the users of the area pay back the cost of the proposed program, it would be comparable to the reclamation program.

Mr. WRIGHT. I do not want to get into a long colloquy concerning comparabilities with the reclamation program, except this: It is a regional program available to only a limited area of the country and financed by taxes from the entire Nation. Water users are privileged to repay Government loans over a 50-year amortization period with no interest charges. Surely this is a subsidy and a substantial benefit. That does not necessarily mean that it is bad.

Mr. Chairman, I support the reclamation program. I think it is a good program. I believe it has paid for itself. I believe all of these regional programs have paid for themselves. There are many, many regional programs which I could cite, and I say that these highways and roads in Appalachia are going to pay for themselves.

Mr. Chairman, about 84 percent of the moneys provided in this bill are devoted to highways. The way to assist an area which has a natural problem of mountainous terrain preventing the accessibility of commerce and industry to its interior is through highways, just as the way to assist an arid section which needs water resource development is in the development of its water resources. The West was retarded in its economic development through lack of usable water; Appalachia is retarded through lack of roads and communications. And so in this sense we seek to do through this bill much the same as reclamation has done for the West—to open it up for industry and commerce.

Our history is replete with regional programs.

The St. Lawrence Seaway was a regional program. The Cross-Florida Barge Canal was a regional program. The Gulf Intracoastal Waterway was a regional program. The money spent on the Mississippi River represented a regional pro-

gram, as all water resource development programs have been regional or local programs in their initial application.

Mr. Chairman, when he was a young Congressman from Illinois in 1848, Abraham Lincoln pointed out on the floor of the House that because these so-called regional programs do contribute to the economic development of the various regions of our country, ultimately they can be demonstrably proven to serve the economic development of the Nation as a whole. Mr. Lincoln pointed out that because of a canal in Illinois, the sugar merchant in New Orleans was able "to sell his sugar a little dearer" and the housewife in New York "to sugar her coffee a little cheaper."

I believe it is just as true today as it was then. Many programs are essentially regional programs; yet each of them has strengthened the Nation. The Tennessee Valley Authority is strictly a regional program. The Great Plains Conservation Act is purely regional in scope.

Members of Congress from Appalachia have voted for the crop support programs, notwithstanding the fact that 91 percent of the money provided in the tobacco subsidy goes to only six States, notwithstanding the fact that 70 percent of the money provided in the wheat subsidy program, for which this Congress in a recent 4-year period appropriated more than \$7 billion, has gone to nine States.

Mr. Chairman, were those Members of Congress from Appalachia to have taken a close-minded, narrow parochial attitude and said they were not going to vote for anything that does not directly benefit their own area, they would have voted against those programs.

I would remind my distinguished colleague from California [Mr. BALDWIN] who just preceded me that his State and mine, between them, consume something like almost one-half of the total Federal defense procurement dollars. In total dollar volume, of course, this means a great deal more than any of these other matters of which we have spoken. Yet, Members of Congress from the Appalachian region have voted for the Federal defense procurement program, notwithstanding that fact. And so, if we look at it from a long-range historical perspective, we come inescapably to the conclusion that this bill is not favoritism to this region.

Mr. Chairman, here is a region which contains 8½ percent of the population of the country, and it has received only 4.9 percent of the Federal tax expenditures.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. JONES of Alabama. I yield the gentleman 5 additional minutes.

Mr. WRIGHT. Mr. Chairman, I was pointing out that Appalachia contains 8½ percent of the population of the country. Yet it has received only 4.9 percent of the Federal tax revenues of the country.

So, when we look at it from that standpoint we cannot view this program as favoritism in the sense of some privilege they are entitled to, but rather as a redress of an historic imbalance or historic injustice.



Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I gladly yield to the gentleman from Oklahoma who has contributed so significantly to the committee consideration of this bill.

Mr. EDMONDSON. I thank the gentleman for yielding because I wanted to compliment him not only upon the wonderful speech he is making which I think has caught the spirit of this program, but also upon the contribution he made in the committee to the passage of this legislation, because I think the record will show that in most of the committee sessions which were held, and whenever the gentleman from Alabama was temporarily involved in legislative activity which prevented him from presiding, the gentleman from Texas took over the gavel and did a fine job of chairing the meetings of the committee, and advancing the bill to final consideration. With his discussion of the various regional bills and the action which the Government has taken in the past on the basic problems of a region, he has highlighted the essential equity of this program as well as it would be possible for anyone I know of to outline.

The gentleman from California, in raising the point that in reclamation programs the users of water paid back the full sum that the Government invested in the program, skips over the whole thrust of the reclamation program. The gentleman from California knows, as well as all Members who have served during the period we have had the reclamation law on the statute books, that the users of the water will pay back only the percentage which is allocated to the provision of irrigation water, and that the portion which has gone into the construction of these reservoirs for flood control purposes or for the purpose of hydroelectric power is not paid back by your irrigation users at all. As a matter of fact, these big dams which have made possible our reclamation program in the West and which most of the gentlemen enthusiastically supported have been in very large measure the largess of the rest of the country to make possible the development of very important water resources of the West. While your irrigator has undoubtedly helped to make possible the overall program, there is a very large part to which the taxpayers back in the Appalachian region have been contributing through the years.

Mr. WRIGHT. I thank the gentleman, both for his very considerate remarks and for his further clarification of the reclamation benefits.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I would suggest to the gentleman from California that if he wants to get into a further discussion of reclamation he may wish to do it in his own time, since I have only a short while remaining.

I have one other illustration which goes to the whole concept of whether this is favoritism or not:

Last year this Congress passed a bill for the express purpose of assisting our fellow citizens in the State of Alaska to rehabilitate themselves from the ravages

of a sudden natural disaster. Here we are asking that we assist the citizens of the Appalachian region to rehabilitate themselves from the ravages of a chronic, historic disaster. The conditions are in many ways the same. This is not a handout, this is not leaf-raking or make-work or anything of that sort. It does not aim at providing a job on the Federal payroll for the people of Appalachia. On the contrary, it is long range in its outlook and in its benefits. It attempts to provide only the basic infrastructure necessary to create a climate and an atmosphere conducive to economic growth. It relies upon the private sector with only sufficient stimulation to generate economic growth which alone can provide the dynamics that will bring this region into the full-fledged technologies of the 20th century.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. JONES of Texas. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. SECREST. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Ohio.

Mr. SECREST. I might point out that in the area I represent several hundred million dollars of coal has been mined. The owners of these mines lived in Cleveland and other cities. The profits all went out. Our wealth has been used to enrich the rest of the United States. We are only asking that you help us to build back the area that has now been depleted of its natural resources, a thing upon which we had to depend entirely.

Mr. WRIGHT. I thank the gentleman for his timely contribution. I will now be glad to yield to my colleague from California.

Mr. BALDWIN. I appreciate the gentleman's yielding to me.

The gentleman from Oklahoma made a point about the reclamation projects, in which he stated that part of the money must be repaid. Then he said that any additional benefits, for instance, the whole question of flood control, was not repaid. Of course this is true. But may I say while it is true on a countrywide basis, and all of the dams of the Tennessee Valley Authority have taken advantage of the flood control provision of our laws so that they may be built to preserve flood control protection and to prevent flooding below. The reclamation dams have taken advantage of that provision, just as all other areas of the country have done.

Mr. WRIGHT. I quite agree with the gentleman from California, just as I also agree with the gentleman from Oklahoma. I think the entire Nation benefits when any area is strengthened. But the point I was attempting to make is that the reclamation program is confined to 17 Western States and therefore is a regional program. I was not assailing the program. I think it has had great benefits for the Nation, just as other projects have had. The development of forest roads and trails, similarly, have benefited the entire country. Yet each of these programs is essentially a regional program, and there is no getting around it.

Even crop support programs are regional, because they apply and limit their application to those areas which have an established history of growing certain crops, but they benefit the entire Nation, just as this will benefit the entire Nation.

We are not attempting to give Appalachia a handout but rather to give them a hand up. We are not attempting to assault just the symptoms of the disease but rather to go to the roots of the disease itself and let them rehabilitate their own economy. The people of Appalachia are ready to pull themselves up by their own bootstraps, but they just do not have the bootstraps. The purpose of this bill is to provide for them the bootstraps—the roads and hospitals and vocational schools—which have been so helpful to the rest of the Nation in enjoying the prosperity of the 20th century.

Mr. CRAMER. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire [Mr. CLEVELAND].

Mr. CLEVELAND. Mr. Chairman, I should like to compliment my esteemed colleague, the gentleman from Texas. He became very persuasive in his remarks trying to convince this committee that this legislation is not unduly and unfairly helping a certain region. I became even more convinced of the fact that it must be as I heard him invoke the history of our country and the broad sweep of his knowledge of the history of our country. Indeed his remarks were persuasive. But nobody can deny that this legislation is highly discriminatory, highly unfair. Hear again the testimony of the person who it is understood will operate this act as the single Federal Commissioner:

On page 42 of the hearings Mr. SWEENEY stated:

I think we ought to speak frankly. The name of the Appalachian game is preferential treatment.

The programs that the gentleman from Texas thought up to implore the House to think big are not in point. He spoke of the tobacco program, but every place that grows tobacco participates in the benefits of that program.

Consider the wheat program. Every place that grows wheat gets the benefits of the wheat program.

But not so the Appalachia program. You have rural poverty and disadvantaged pockets that have not shared in the national progress of the last 50 years, but they are not confined to Appalachia as defined in this bill.

As I pointed out in my own additional views in the report on this bill, when I heard witnesses speak about the plight of some of these sections of Appalachia, I could have been right back in parts of New Hampshire. The Appalachian Mountains are in New Hampshire—the valleys are just as deep and the hills, in fact, are a lot more beautiful and a lot higher. We have problems with timber development; problems with access roads and the cost of constructing them; problems in financing local sewage-treatment works; problems in financing health facilities; and problems involving proper use of water resources. We have unemployment prob-



lems which require vocational educational institutions for solution.

We have problems of out-migration, and we have the problems of distances from commercial industrial markets.

That part of Appalachia was left out unfairly is a matter of record. In the Senate the unfairness became so aggravated that the Senator from New York [Mr. KENNEDY], succeeded in adding 13 counties to Appalachia. He succeeded. But we now find that the 13 counties that he added were relatively prosperous counties. As a result, there will be an amendment before this committee to add counties in New York that are really part of Appalachia and are really in need of this treatment.

These are but surface indicia that show how completely unfair and narrow and discriminatory this legislation is.

The gentleman from Texas has missed this point or rather the point has hit home and he is desperately trying to avoid it.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman.

Mr. GROSS. The gentleman from Texas [Mr. WRIGHT] kept speaking of the mountainous region as a requisite for this program. Am I seeing things on that map? Am I seeing the application of this program to the Rio Grande down in Texas—that low land down there?

Mr. CLEVELAND. No, I think this map that was offered in evidence by the gentleman from California [Mr. BALDWIN] shows the depressed areas as defined by the ARA and the Accelerated Public Works Act throughout the entire country.

Mr. GROSS. It has nothing whatever to do with Texas; is that right?

Mr. CLEVELAND. No, this map shows all the areas that are considered areas of high unemployment and as being depressed areas under the definition by the ARA and the APWP.

Mr. GROSS. This proposed program does not pertain to any part of Texas?

Mr. CLEVELAND. It pertains only to the Appalachian area which I am indicating with my hand—parts of Alabama, Georgia, South Carolina, North Carolina, Tennessee, Kentucky, Virginia, Maryland, Pennsylvania, Ohio, and all of West Virginia. The gentleman would be interested to know that one of the parts of Alabama is the Huntsville area where they had more than a billion dollars of Government contracts a year ago. It also includes the Spartanburg area of South Carolina and the wealthiest county of South Carolina. I am sure the gentleman from Iowa will also be interested to know that it includes the impoverished little town of Pittsburgh and its Golden Triangle that the industrial revolution has apparently passed by. And we could go on and on. Indeed, there are 76 counties in the Appalachia region, the gentleman from Iowa I am sure would be interested to know, that are wealthy counties and do not even qualify under the ARA or the accelerated public works program.

Mr. GROSS. If the gentleman will yield further, I would not want to hear

that Texas is involved in this because the gentleman from Texas [Mr. WRIGHT] just said that California and Texas are splitting up 50 percent of the defense procurement contracts. I would not think that Texas would have the nerve to come in on any part of the Appalachia program or any other poverty program.

Mr. CLEVELAND. I thank the gentleman. I hope the gentleman recalls that Texas also benefits from the beef import quotas which raise prices of meat in New England to consumers, from the residual oil quotas which raise the price of fuel in New England, and from the depletion allowance which permit large oil companies to pay practically no income taxes, not even to help Appalachia. But, as I have said, this is a day when you have to be big and think big to do business with big government.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman from Florida.

Mr. CRAMER. I hate to disabuse the mind of my distinguished colleague from Iowa. Largely, the eastern tier of counties in Texas, which are the ARA and APW counties, will soon, I am sure, be joining the counties in Louisiana, Mississippi, Arkansas, Oklahoma, and a few other States, in what has already been described and apparently been committed as the next region to come before this body for money and programs, the Ozark region.

As a matter of fact, it was interesting to note the article in the Sunday Star for February 28, 1965. They have "cranked up" so far that the AFL-CIO is already talking about it. This is going to be the new demand.

This is what the article says:

The AFL-CIO executive council warned yesterday that the Nation's booming economy threatens to lose its steam this year unless Congress acts swiftly.

As an aside, we have already provided for spending about \$11 billion acting swiftly in the past 6 years.

The council also recommended a series of special programs to develop depressed areas such as—

I might add, not exclusive of—

the Appalachia States, the Upper Great Lakes areas and Ozarks. Only the Appalachian program is currently underway.

It has been estimated, in the testimony before the committee, by a witness—Mr. Charles A. Robinson, Jr., who is staff engineer and staff counsel for the National Rural Electric Cooperative Association, which testimony appears on page 217 of the hearings—that there would be between \$5 and \$10 billion cost for these regional programs. The cost of Appalachia alone has been estimated by witnesses to be about \$4 billion.

I believe it should be understood that this is only the beginning of a series. The gentleman from Iowa should fully recognize that. This is the beginning of a series of regional approaches, segmenting the United States, dividing America into regions, setting up supergovernments, giving the Federal representative veto power over any and all programs and projects. The final cost of these programs, it is estimated in the testi-

mony, could be as high as \$10 billion. Is that not correct?

Mr. CLEVELAND. There is testimony in the record to support the gentleman's statement.

Mr. CRAMER. I should like to ask the gentleman a further question, with respect to the discrimination. I believe this might be a good place to set the argument at rest at this time.

The argument is made, with respect to discrimination, that other communities will indirectly benefit. The direct benefit will be to Appalachia, and there will be indirect benefits elsewhere, it is said.

Why not give a direct benefit to the rest of the Nation, where the communities, as are evidenced on the map in green and gold, have an equal need?

Mr. CLEVELAND. The answer to the question is, That if we are to have a truly fair national program all areas which suffer similar economic blight and disadvantage, such as suffered in parts of the Appalachian area, should share equally and fairly our national wealth to remedy the situation.

This is my understanding of what the gentleman's bill and the bill introduced by myself and other Members on our side, the Resources Development Act of 1965, will do. This is one reason why I support it, and for other reasons set forth in the record in our report on that legislation.

Mr. CRAMER. A second point has been made in answer to the charge of discrimination, which is obvious and cannot be refuted. The map speaks for itself.

The argument is made, "Well, there are other programs actually carried out in certain areas." They talk about the cross-Florida barge canal, the intercoastal waterway, the Mississippi River, and what have you. The fallacy of that reasoning is that those types of programs are available to any place in America where the economic justification can be established, and every State in America has the right to qualify if those standards are met.

Is that not correct?

Mr. CLEVELAND. That is true, and this type of legislation is handled by our Public Works Committee. This is why I feel that the gentleman from Texas was grievously wrong in using those as examples of regional preference. They are not examples of regional preference.

They are examples of the application of national legislation in particular places and to particular situations in the country, but which are equally available to every area of the country that can meet the standards established by the programs.

Mr. CRAMER. I ask the gentleman from New Hampshire further, is not one of the clearest examples, of the fact that our committee has not in the past dealt on a discriminatory regional basis with programs of this sort, the highway program, which comprises about 77 percent of this bill? We have at no time passed legislation involving a highway system which related solely to one region of America as against all of the rest of the country, when the rest of the Nation helps to pay the bill. Is that correct?



Mr. CLEVELAND. That is correct, and it probably is one of the most important things in highlighting the unfairness and discrimination involved in this bill. This violates the entire concept of our national highway program, I am sure when the full impact of it dawns on our country and the people of the country, the repercussions will be extremely serious.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. CRAMER. Mr. Chairman, I yield the gentleman 4 additional minutes.

I would like to ask the gentleman an additional question. I ask the gentleman, is not the fact that it frankly discriminates against the rest of the Nation one of the principal reasons why in our opinion no witnesses outside of the Appalachian region were called in so as to determine what their attitude would be as it relates to this type of legislation, particularly with reference to highways.

Mr. CLEVELAND. We heard no witnesses from outside Appalachia other than certain people from downtown, as you could expect, who testified in favor of this bill.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. Just for a question.

Mr. DENT. I noted in your remarks you made reference to the city of Pittsburgh. It appeared to me—and correct me if I am wrong—that it was your opinion the city of Pittsburgh was not in need of the benefits which might accrue from the passage of this legislation.

Mr. CLEVELAND. My statement was that I have read about the city of Pittsburgh, although I have not had the pleasure of visiting the city of Pittsburgh recently; I know about the Golden Triangle and the Mellon Institute and your other fine institutes of higher learning. When I heard the gentleman from Texas [Mr. WRIGHT], speak practically with tears in his eyes about how this bill will help areas that have been bypassed for the last 100 years by our industrial progress, I could not believe that Pittsburgh was among them. I do not think many people have thought that a place like Pittsburgh would be in this bill. That was my comment.

Mr. DENT. Might I say, coming from near that city, I have never been blinded by the glitter from the Golden Triangle, because it quit glittering years ago due to the pernicious unemployment existing in this area. Pittsburgh, Pa., at one time, up until very recently, had an unemployment ratio of 14.7 percent. We have the Mellon Institute, yes. We have the Golden Triangle of fable but not actuality. I guarantee you that it is nothing more than the mortar, mud, and bricks that make up the communities and the streets of every other community. We, in that area, believe it is time some of the assistance we have given so willingly over the years to regions all over the United States who needed it be returned to us.

Mr. CLEVELAND. Mr. Chairman, in my additional views I make a couple of points which I would like to repeat for

the benefit of the committee. My essential complaint about this bill is the fact that it is unfair not only to many communities in my district but certainly to many communities and districts outside the Appalachian area. I wish to address this part of my remarks to what I call the industrial and job piracy inherent in this bill. All of us will agree, I think, that new industry and the development of new roads into an area is an important key to the economic improvement and development of an area. It is also true that many communities throughout the country are in direct competition for expanding industry and new industries that they hope to bring into their communities. What the Appalachia bill does, in the words of Government witnesses, is make these centers of prosperity not small towns in Appalachia, but centers of prosperity where there is a significant chance or potential for growth, as they term it, in the words of the bill—and the bill is confined to places that have such a significant potential. Its purpose is to strengthen these centers and make them almost unbearably attractive to new industry by building hospitals, schools, vocational training centers, libraries, sewage plants, and access roads and private roads running indeed right up to the door of a new industry or into a timber preserve or recreational area. It builds all of these facilities with up to 80 percent in Federal dollars. It hopes to make them so attractive that any new industry or any old industry that had expansion in mind would have to go to Appalachia. This is where the essential unfairness becomes clear, because there are many other areas, if we look at Mr. BALDWIN's map—and all of you must know of some of these in your own districts—which have the same acute need for help in bringing new industries and to help with the taxload that you have in those areas and to improve the economic climate. When the Federal Government gets into the act and makes it so attractive for the new industry to go into one small part of the country, then you have the Federal Government acting in direct competition with almost every industrial planning agency and almost every economic planning agency and every chamber of commerce and every city and town and community in America. This is what highlights the unfairness of this bill. This is industrial and job piracy.

Mr. CRAMER. Mr. Chairman, I yield 10 minutes to the distinguished lady from Illinois [Mrs. REID].

Mrs. REID of Illinois. Mr. Chairman, the legislation we are considering today is extremely complex. It would perhaps appear on the surface that the main issue to be decided is the desirability of improving the economic status of the people of the 11 States of the Appalachia area, and certainly the economic welfare of all our citizens should be of utmost concern to us in the Congress. But there are other compelling issues in this bill which we, as Representatives of our respective congressional districts, must also ponder; and the welfare objectives of S. 3 should not cause us to lose sight of the dominant

questions involving basic changes in the direction of our public policy.

Few among us will argue the merits of improving the economic status of those who reside in areas which unfortunately have not been able to share in the normal prosperity of the times. An adequate and comfortable standard of living for all Americans should be the ultimate goal of our domestic economic policy, and we all hope for the day when this can become a reality. But the attainment of this goal also involves the question as to the proper method of approach. Here today we are considering the establishment of a rather far-reaching precedent in our public policy, one which will authorize preferential treatment for one geographical region of America to the disadvantage of similar regions which are equally depressed in economic progress. Here, also, we are considering the proper limitations which should be placed on Federal grants-in-aid. Here, too, we are considering matters of economic justification, the feasibility of preferential highway development over and above our existing national Federal-aid highway programs, the inconsistency of the proposed land improvement program with our national agricultural policies, and the wisdom of authorizing 100 percent federally financed medical facilities.

Since S. 3 does involve basic issues of public policy, we should, therefore, give thoughtful consideration not only to the question of further extending the concept of Federal grants-in-aid, but also to the principle of providing special Federal assistance to a specific geographical area through such a new, broad, and costly program. It is difficult to see how we can in good conscience justify such a program, financed by all taxpayers of the Nation, for the benefit of the people of one particular region. It is also difficult to see why it is necessary to launch a new program of this magnitude which will overlap and duplicate existing authority which the Congress has previously provided for the same types of aid envisioned by the Appalachia bill. For example, we already have the Economic Opportunity Act, the Area Redevelopment Act, the Federal-Aid Highway Act, the Hill-Burton Act, the Vocational Education Act, and others which were originally designed to accomplish the same objectives sought by S. 3 and, at the same time, extend equal benefits to the entire Nation. This new program, if adopted, will without doubt bring forth similar requests from other regions of the United States where economic development is also substandard, and one can foresee serious future problems of Federal fiscal policy. This bill will, in my judgment, establish a disturbing precedent for increasing Federal grants-in-aid on a nationwide basis to the 70 and 80 percent formula which would be approved for Appalachia.

Another inequity in this legislation is the omission of proper standards for the determination of eligible areas for Federal grants, other than for highway construction. Clearly there is no justification for assistance to all of the 360 counties of Appalachia, for at least 76 coun-



ties included in this bill are now ineligible as depressed areas for financial assistance under current Government standards. Furthermore, the Appalachia program is to be a 6-year project, and no provision has been made for the exemption of eligible counties when their economic progress attains a certain level or, conversely, to later include currently eligible areas which may become substandard in the future. Also, it is interesting to note that according to 1960 census figures, which although outdated have been used in connection with the justification of this program, 229 of the 360 counties in Appalachia showed a median family income in excess of \$3,000—above the administration's poverty definition. Standards of need, therefore, rather than geographical location, should be the determining factor in this type of legislation.

With reference to the highway provisions of the bill, it is obvious that the 70-percent highway grants represent special treatment for a particular area and are thus discriminatory nationwide. In some of the States in question, this program could result in minimization of highway construction under the regular 50-50 matching funds program in favor of the 70-percent aid program for Appalachia. All States in the area would also have the benefits of three highway programs—the Interstate System, the regular highway aid programs, and the Appalachia program. To my knowledge, no study has been made as to the ratio of capital cost of these highways to the long-range economic benefits to be derived from them, again leaving us in doubt as to the economic justification.

Another conflict in Federal policy appears in the land improvement provisions of this bill. The 80-percent grants which would be made available for soil and water conservation practices could in effect result in increased cropland and pastureland production, thereby promoting uneconomic farm units at a time when there is already overproduction and the Department of Agriculture is paying farmers to take land out of production.

Still another new precedent which would be established by this legislation is 100-percent Federal financing of operating costs of hospitals and other local health facilities. This is a principle which the Congress has consistently rejected in the past and, if considered by the appropriate committee and presented separately, would most likely reject again. The question which comes to my mind is—does such a policy not constitute another giant stride toward socialized medicine? In addition, does the fact that the Federal Government would provide 100-percent financing not mean that the States will abdicate their rights of control over these facilities? After all, our past experience in Federal-aid programs has clearly shown that such assistance also brings Federal control.

Section 214 of this bill also involves questionable legislative procedure since it is a tacit "back door" approach to the

continuation and expansion of the Public Works Acceleration Act and the Area Redevelopment Act.

As a member of the Committee on Public Works, I have listened carefully to the testimony on this legislation and have also devoted a great deal of study to the supporting data made available to us. Although the initial cost of the Appalachia program is \$1.1 billion, it is logical to assume that the total cost over the 6-year period will perhaps approximate \$4 billion. The administration of a program of such magnitude is bound to result in further intrusion of Federal regulation and control in the affairs of the participating States, and the precedents embodied in this bill represent a drastic departure from our traditional view of the Federal-State relationship as far as assistance and grants-in-aid are concerned.

I feel, therefore, that this omnibus-type bill under consideration does represent unjustified preferential treatment for one region to the disadvantage of other areas perhaps equally as deserving and, furthermore, that it offers no assurance that the desired economic objectives can or will be achieved. As legislators, we must also consider the many ramifications of the precedents which would be established in this particular approach and the new Federal-aid policies to which we would be committed. For these many reasons, I do not expect to give this bill my support.

Mr. CRAMER. Mr. Chairman, will the gentlewoman yield?

Mrs. REID of Illinois. I yield to the gentleman from Florida.

Mr. CRAMER. Mr. Chairman, I want to congratulate the distinguished gentlewoman from Illinois for her very learned discussion of this legislation. She has certainly been a loyal and hard-working member of our committee. I want to congratulate her on her very constructive and helpful remarks.

The CHAIRMAN. The time of the gentlewoman from Illinois has expired.

Mr. CRAMER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Washington [Mr. PELLY].

(Mr. PELLY asked and was given permission to revise and extend his remarks.)

Mr. PELLY. Mr. Chairman, under the provisions of this \$1 billion Appalachian development bill which is under consideration of the House today, assistance would be limited to areas in 11 States, or possibly in 1 more, if New York State is included. In these 11 preferentially treated States, there would be some 360 counties, as I understand, which would be qualified for assistance, and of these 360 counties, 76 are not even economically depressed, in accordance with the definition established for distressed areas under the Area Redevelopment Act. I do not think this is right.

Meanwhile, as an example, in the State of Washington, there are 15 out of our 39 counties that have areas which are depressed to the extent that they do qualify under the Area Redevelopment Act.

The question is, Can I, in all good conscience, representing the State of Washington, vote for a measure which would tax citizens in these 15 depressed areas in my State to assist the people that reside in 76 counties in 11 other States which do not have similar depressed conditions?

However, even more disturbing to me is a statement made during debate on this bill in the other body by the majority leader. It lends substance to the frequently heard charge made in connection with passage in the Senate of the Appalachian bill, that it was motivated as an unprecedented opportunity for political logrolling. I have heard it said that the bill passed as a result of promises for similar legislation to aid other areas of the country, outside of the 11 States covered by this bill. The majority leader of the other body, in fact, openly stated that the administration was working on similar other regional programs.

In this regard, a letter from the Budget Bureau was read into the Record during the Senate debate, stating that the administration proposes, very shortly, through an extension of the area redevelopment program, to initiate measures to assist additional regional planning. So it seems clear, Mr. Chairman, that someone is looking toward the next election—just as has been the case with this present bill. This legislation appears to me to be a Pandora's box.

Mr. Chairman, I am not opposed to the Federal Government assisting in the economic upbuilding of depressed areas where there is a reasonable chance of accomplishing the objective, and providing, further, that there is no discrimination to one region in favor of another, and providing that prosperous areas will not be receiving assistance at the expense of people of less prosperous areas. But this bill obviously does not conform to that criteria.

Likewise, Mr. Chairman, I have other objections and these are to the way S. 3 would operate in respect to State and local authorities so that in carrying out this law, they would be subject to dictation. As the additional views of the minority point out in the report on S. 3, this bill would create a new regional government with absolute veto authority and thereby establish dictatorial powers in the person of a single Federal representative on the Appalachian Regional Commission.

In short, I oppose S. 3, and instead, intend to vote for a substitute proposal which I understand will be offered. This alternate proposal would extend Federal financial assistance to all areas throughout the United States which qualify as areas of substantial unemployment, under the definition of existing law. The plan under this alternative proposal would utilize existing Government agencies and authorize State and local officials to initiate projects, and would require States to provide matching funds.

Under this latter arrangement, there would be no discrimination as between regions of the United States, and the



local authorities would have a say as to their programs. In any event, I hope S. 3 is rejected. It is poor legislation and should be defeated.

Mr. JONES of Alabama. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. HOWARD].

(Mr. HOWARD asked and was given permission to revise and extend his remarks.)

Mr. HOWARD. Mr. Chairman, I rise today to speak in support of the administration's Appalachia program, bill S. 3. Most particularly, I wish to speak in support of section 211 thereof, that section which deals with aid for vocational education in Appalachia.

A quick glance at the statistics shows immediately that the Appalachian area has fallen far behind the rest of the country in education and training. Apparently the work being done in the academic area is not truly serving the needs of the young people of Appalachia. We find that 12 percent of these youngsters have not finished the fifth grade and that an astounding 68 percent—over two-thirds—have not finished high school. This should make it apparent indeed that if these young people are to grow up to be productive citizens, we need an increase in vocational training.

At the present time the Appalachia region receives Federal aid in the amount of \$24 million a year. It has been estimated that \$105 million is needed to enable this region to catch up with the rest of the country. The additional appropriation in bill S. 3 calls for an additional \$8 million a year for 2 years. Certainly an annual appropriation totaling \$32 million cannot be called extravagant if we are to make even a gesture toward the improvement of this serious problem. We must assure the young people of Appalachia that they will have a chance to become productive, self-sustaining citizens. We have the obligation to give them the tools, the skills, to enter into and compete on the labor market of future years.

Mr. Chairman, the children in Appalachia must look to us here in the Congress for their hopes for the future. They have no power to publicly persuade in behalf of any legislation. They cannot attend hearings; they cannot give testimony; they have no lobby. As our late President said, all of us as American citizens have a responsibility to future generations. We have the responsibility to hand over to those who follow us a nation that is prosperous. This we have often done but sometimes we have not. We have a responsibility to hand over to them a nation at peace. This we have often done but there have been times that we have not. We have a responsibility most of all to see that they enter adulthood in this Nation prepared to meet the contemporary demands that they will face intellectually, socially, and with proper training.

Mr. Chairman, in relation to this bill we have heard terms such as fraud and hoax. Without a doubt the greatest fraud, the most cruel hoax on these young people would be to thrust them into a world that is beyond their capabilities. History will judge us in future years as to how we meet this responsibility

and these young people will judge us also. Let us not fail either.

Mr. CRAMER. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. McEWEN].

Mr. McEWEN. Mr. Chairman, I share the concern that has been expressed by some of my colleagues here today over the fact that this bill, alleged to treat with poverty, as it is treated with it on a regional basis rather than national.

I hope the Members will permit my remarks to be, if you will, of a parochial or provincial nature, as I feel obliged to speak in relation to my own congressional district, which could be said to embrace northern Appalachia.

The gentleman from New Hampshire [Mr. CLEVELAND], said that Appalachia reaches into the White Mountain Region of New Hampshire. In my own congressional district, the 31st District of New York, we have counties that embrace the northern Adirondack Mountains. I should like to refer to this area in particular.

But a reference was just made by the gentleman from New Jersey to the educational disadvantage of the Appalachian region. The figures that I have on that, Mr. Chairman, from the Legislative Reference Service, indicate that the Appalachian region, as originally defined by the President's Appalachian Region Commission, had 32.3 percent of its people who have completed a high school education. I am advised that with the inclusion of more prosperous and progressive areas within Appalachia, that figure of 32.3 percent would now be somewhat higher.

In my own congressional district, 36.7 percent of our population have completed high school. In one county in particular, 32.5 percent, or merely two-tenths of a percent greater than that of Appalachia.

We have heard about unemployment in the Appalachian region, as if it were unique to this area alone. The Appalachian area as originally defined had an unemployment rate of 7.1 percent. In one county in the 31st Congressional District of New York, in the northern part of Appalachia, in the Adirondack Mountains, in the same period of time that Appalachia as a whole had 7.1 percent unemployment this county had 14.6 percent of unemployment.

For this, and other reasons, I find it impossible on the floor of this House to vote, as I found it impossible in committee as a result of the rejection of numerous amendments, to support this bill in its present form.

Here we are asking that people, such as in this one county that I cited, in my district, having twice the rate of unemployment that Appalachia has, support a program for a region that now embraces some of the most prosperous communities in America.

Reference has been made to Huntsville, Ala.; Pittsburgh, Pa.; and Spartanburg, S.C. I fail to appreciate why this regional approach should be taken.

I was interested in noting the remarks of the gentleman from Texas [Mr. WRIGHT], in his very persuasive argument for this regional concept, citing other regional legislation that this Congress has enacted in prior years. Among

others, the gentleman from Texas [Mr. WRIGHT] mentioned the St. Lawrence Seaway with which I have a degree of familiarity since it lies within my congressional district. But here as has been pointed out, there was a demonstrated need for the seaway and it was shown how this waterway, this great public works undertaking, was going to serve the national interest. There was a demonstration of its economic justification. So I am sure was the case with the Intracoastal Waterway and with other regional plans and undertakings.

But in this instance, Mr. Chairman, I fail to appreciate why America should be taxed as a whole to take an approach at one limited segment of the problem of lack of economic growth and job opportunities.

I note that there was offered and accepted in the other body an amendment to this bill to permit, "on an appropriate basis," inclusion of some 13 New York counties in the Appalachian region. I would point out, Mr. Chairman, that of these 13 counties along or near the Pennsylvania border, only 1 of them is indicated as being eligible either under the ARA or APWP standards. The other 12 counties are not.

The amendment I offered in committee to the Senate bill would have changed this New York inclusion from these relatively prosperous southern tier counties to include Catskill and Adirondack counties—9 of the 11 being ARA or APWP eligible. It would have embraced 9 of the 13 such counties in the State of New York.

Mr. Chairman, I submit that the bill in its present form is one that I cannot support and I fail to appreciate how anyone having a congressional district similar to mine, with substantial unemployment and a need for job opportunities, could support this limited regional approach to what has proved to be a national problem.

Also I have concern, Mr. Chairman, as to a number of other aspects of this bill, particularly that relating to access highways.

Mr. CRAMER. Mr. Chairman, before the gentleman gets to that subject, will he yield for a question relating to the Kennedy of New York amendment?

Mr. McEWEN. I am pleased to yield to the gentleman from Florida.

Mr. CRAMER. On page 44, line 19, it is indicated that the Commission is authorized and directed to invite the State of New York to participate in the Commission—and I quote "on an appropriate basis."

Now in our discussion on this amendment and in the hearings on it, as I recall, the Governor of the State of West Virginia indicated very clearly that he was not going to slice this pie up with New York and he was not going to vote to provide highway moneys as a member of the Commission, to put highway moneys into New York or other grant programs into New York. He said, to paraphrase what he said, because I do not recall exactly, that he would be willing to vote that certain studies take place in New York.



The gentleman, of course, heard that testimony and is familiar with that testimony.

Mr. McEWEN. Yes, I am.

Mr. CRAMER. Does this not end up making out of these 13 counties step-children as compared to the rest of the region?

Mr. McEWEN. I believe that "step-children," in answer to the gentleman, is a very apt description. They are certainly not to come in on the same basis as counties in the other 11 States, whatever the phrase "on an appropriate basis" might mean.

Since the gentleman referred to what the distinguished Governor said before the ad hoc committee, I believe the gentleman might anticipate that "an appropriate basis" would be something less than provided for the other States.

Mr. CRAMER. I also recall that the gentleman from New York took part in the discussions with respect to the meaning of the language. The gentleman from New York was asked by the gentleman from Florida the meaning of the language on page 44, lines 10, 11, and 12.

What counties are to be included? It is true, is it not, that the counties are not set out by name as they are in the rest of the bill?

As it relates to New York.

Mr. McEWEN. That is true. My identification of the 13 counties comes from reading the proceedings of the other body.

Mr. CRAMER. The only record of the counties intended to be included by the author of the amendment, the distinguished Senator from New York [Mr. KENNEDY], was the reference to the counties he stated in the RECORD, the 13 listed, which are defined as follows:

The inclusion of such counties of the State of New York as are contiguous to the Appalachian region as defined in this section and counties contiguous thereto.

I have heard it suggested by some that this means one could go right on up with "contiguous to," "contiguous to," "contiguous to," and there is no limitation to any 13 counties in the wording of the amendment.

Does the gentleman understand that there is no limitation of 13 counties in the amendment?

Mr. McEWEN. To answer the gentleman's question, I believe that is true. There is no limitation.

Mr. CRAMER. This is the only section in which the counties are not listed. There is not even a number specified as to how many in that State are to be included. It is quite clear that whatever counties are included will probably be brought in under a decision to be made by the Commission members, and not by the Congress, as to exactly the basis on which they want to bring the counties in; is that not correct?

Mr. McEWEN. That is correct. As a matter of fact, pages 41 through 44 of the bill in detail set forth the counties in all the other States, except for the State of West Virginia which is included in its entirety. There is a detailed recitation of exactly which counties in the other States are to be included.

Mr. CRAMER. As I understand it, the gentleman's amendment offered in the committee would have brought into the Appalachian region the counties which are really depressed counties in his State, or a large percentage of them, which are those in the mountainous region; is that correct?

Mr. McEWEN. That is correct. It would have brought in 9 of the 13 counties in the State of New York which have been ARA eligible. It would have included 9 of the 13 in the State, and 9 of the 11 counties in this inclusion would be ARA eligible.

Mr. CRAMER. It is almost inconceivable to me that our committee would take an attitude, "you can't cross a 't' or dot an 'i' in this bill."

I believe this is perhaps one of the clearest examples of that, in that the gentleman offered a perfectly logical amendment. The gentleman is a member of the committee and his amendment was voted down summarily.

I likewise point out that a gentleman now on the floor, the gentleman from Alabama [Mr. MARTIN] properly made a request that one county which is surrounded by other counties which are depressed be included. Those other counties are in the legislation. The county which the gentleman from Alabama wished to add was Lamar County, which is surrounded by other depressed counties but was left out of the bill.

The committee did not even see fit to make that amendment, which was so obviously meritorious. The only conclusion to which I can come—and I ask the gentleman if he agrees with me—is that the orders had come down that they were not to cross a "t" or dot an "i" and this bill had to be ramrodded through the committee in exactly the form it came the Senate, even though in the form it came from the Senate there were many shortcomings, as illustrated by the one New York amendment alone. Does the gentleman agree with that?

Mr. McEWEN. I would have to agree with the gentleman from Florida on that.

Mr. McCARTHY. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. Mr. Chairman, I will be happy to yield to the gentleman from New York [Mr. McCARTHY].

Mr. McCARTHY. My distinguished colleague from New York alluded to the committee amendment. If he will look at the record and read it closely, I think the name of that amendment, as he will see, should be the Kennedy-Javits amendment, because, as you will see, the distinguished senior Senator from New York concurred in the amendment offered by the junior Senator from New York, and modified it and proposed some changes which were accepted by the junior Senator. Then, of course, it was passed by the other body. This is just a point of clarification to show that it was really a bipartisan amendment.

Mr. McEWEN. I believe the gentleman is correct in that the senior Senator did have something to do with naming some counties in this area. He was trying to assist the junior Senator from New York in identifying this particular area, I think.

Mr. CRAMER. Mr. Chairman, I did not mean to get the gentleman from New York off his subject of access roads in asking my questions. I will be glad to yield the gentleman additional time, if need be, to discuss that subject.

Mr. McEWEN. Thank you, Mr. CRAMER.

Mr. Chairman, on access roads, it does seem to me this is one of a number of features of this bill which appears to be rather unique. There is nothing in here specifying standards for these roads. There is no assurance from this bill that these roads will serve primarily, if at all, a public use. It has been brought out in discussions in committee—and I assume it will be brought out here on the floor, also—that the admitted purpose of these access roads is to help in the attraction and the location of industries and resorts. It does seem peculiar to me that we should be asked to enact for this one region the construction of highways to serve for private purposes and private profit for the use of those using a particular industry or resort rather than highways which will serve the general traveling public and the economy and the commerce of the Nation.

I thank the gentleman for yielding me this additional time.

Mr. JONES of Alabama. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. TAYLOR].

(Mr. TAYLOR asked and was given permission to revise and extend his remarks.)

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Mr. Chairman, I would just like to point out to the committee that the gentleman from North Carolina who will address the committee has done considerable work on this proposal. He has been before the committee this year and last year rendering valuable assistance and has been most helpful in the considerations and deliberations of the committee. It is always good to have you working with the committee, Mr. TAYLOR.

Mr. TAYLOR. Thank you very much.

Mr. Chairman, I rise in support of this bill because it offers hope and economic uplift to a large section of our Nation. This is, in my opinion, the most important single piece of legislation for the people whom I represent that has been considered since I became a Member of Congress.

This is a program to rebuild and revitalize the economy of the entire Appalachian area. The highway building proposals in the Appalachian bill, coupled with its other features, promises relief to an area which has suffered economically because of an inadequate highway system.

The Appalachian area was settled in the early days by pioneers, who were adventurous and not content to sit still but wanted to advance and explore and seek new opportunities. They moved to a rugged mountain area which offered a challenge and a promise; and for a while, that promise was realized.



But as the years moved on, in many cases, timber and mineral resources were depleted. During recent years, the people in this area have been caught in the backlash of an industrial revolution. The revolution in American agriculture which took the mules from the farm and replaced them with expensive machinery destroyed small mountain farms or made them uneconomical. The 14 western North Carolina counties which I am privileged to represent in Congress lost 14,000 farm jobs between 1947 and 1957. In counties where additional jobs in industry have not been created, there has been much unemployment, underemployment, and outmigration.

In most sections of the Appalachian mountains, as in my area, the people have been active in trying to solve their own problems. Since 1948, Western North Carolina Associated Communities has been an active organization promoting regional development. This organization founded the Western North Carolina Regional Planning Commission which, with the aid of a professional planning agency, made an economic analysis of the area and outlined a development program. The development report stated that the key to the development of western North Carolina is roads and highways, and I know that the same applies to other sections of Appalachia.

The Appalachian bill is a historic landmark in Federal-State relationships. It embodies a unique State-Federal partnership approach. It places a tremendous responsibility on each State in developing the type of program that will work in that State and in helping provide the necessary matching funds. It preserves the rights of States by providing that a State must give its consent before any program is carried out within its boundaries. It represents a practical effort to put natural resources to work by means of roads, hospitals, soil conservation, and education. It helps the people in an area to help themselves.

This is primarily a roadbuilding bill with nearly 80 cents of each dollar going for highways.

Civilization moves with transportation and transportation has been an important factor in the development of each section of our great country. The Appalachian region lies close to great concentrations of people and wealth. But isolation caused by inadequate highways and transportation facilities has prevented the extension of such growth and economic prosperity into the Appalachian mountains. The establishment in this region of an adequate system of highways is the key to its development. Highways are needed to ease traffic congestion in some places and are needed as an instrument of economic development throughout the Appalachian area.

By opening the door to transportation, we lay the foundation for private enterprise to come in to build and develop wealth and jobs. The area is rich in climate, in water, and timber resources, and in human resources. Make the area accessible with modern highways and these resources will bring about its development along industrial and rec-

reational lines and will convert it into a land of promise.

The various sections of our great country have individual needs and problems. In some cases, the economic need is harbor development; in other cases, dredging of rivers for commerce or other construction is needed. Out West, the need is development of water resources, and as a member of the House Interior Committee I have supported programs to meet these great public needs.

My colleague and friend, the gentleman from California, said that this bill is favoritism to the Appalachian area. In response I would say that if and after we pass this bill during the next 5 years, while it is in effect, more Federal money will still be spent in California than in the entire Appalachian area. I am proud of this prosperity that we have in California. I say we, because the prosperity of California benefits the entire country. Likewise the poverty of the Appalachian area hurts the entire country and hurts California, and Florida, and New York, and the other States. In geometry we learned the whole equals to the sum of its parts. As we strengthen any part of this country, we strengthen the entire country. This is a regional program which over a period of years will pay for itself.

Mr. CLEVELAND. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. MARTIN].

(Mr. MARTIN of Alabama asked and was given permission to revise and extend his remarks.)

Mr. MARTIN of Alabama. Mr. Chairman, I come to the members of the Committee today as a Member of Congress from the Appalachian region. I know that region well, specifically in my own area of the country.

Mr. Chairman, there does exist some poverty. There does exist some need.

Very frankly, Mr. Chairman, I explored, in my own conscience, the possibility of casting a vote in the affirmative on this bill. But I cannot do so in good conscience because there are other demands upon my conscience that call to a greater and higher purpose.

Mr. Chairman, as I sat in my seat this afternoon I looked at the young people today going in and out of the galleries. I am trying to let my mind project to a greater problem in our Nation, that of bringing into economic balance our income as compared to our outgo.

We have watched in the past several decades the devaluation of our dollar. We are concerned now today, paramount among all issues, outside of the peace of our country, with our economic stability.

Mr. Chairman, I cannot vote for a piece of legislation that weakens the economic stability of our country. I cannot vote for a piece of legislation today which has for its purpose the building of roads today and then send the bill to our children and our grandchildren.

Mr. Chairman, I realize that the major portion of this bill, if enacted, would be devoted to road construction. I say to the gentlemen from the Appalachian area and of my own great State of Alabama that we have done a good job in building roads. We have probed into

many of these areas with good roads. We have taken upon ourselves the necessity to tax in the various States such items as gasoline that have brought into our States enough money to do a good job with a roadbuilding program. I say to the States that if this is not adequate, then look into your own State building program. The building of roads in these areas is not primarily that of a Federal function.

Mr. Chairman, already we have working a good combination of Federal and State cooperation in roadbuilding programs. Let us keep these programs working. But let us not add more and more and more. Where do we stop? Where does the all-powerful Central Government stop? Where do we stop abrogating our rights as States and communities and turn all of our problems over to the Federal Government?

Mr. Chairman, I will admit as a Member of the Congress who comes from a rather poor section of the country, Alabama, that I have to look back with pride upon how we solved some of our economic problems. We did so with hard work. We did so by pulling ourselves up by our bootstraps, because we do have bootstraps. We did it without any foreign aid from anyone, but with our own good minds and willing hands.

Mr. Chairman, I say that these people are wonderful people who live in the Appalachian area, people who will solve their problems. As I ride through the country I know that there are areas of unemployment. But I am not one of those who thinks that just because you put a slab of asphalt through a mountain road that is not now in too good condition that you are going to put an industry there.

Mr. Chairman, I served as president of the Associated Industries of my State. I have talked to a lot of men of industry about this great problem. One asphalt road will not bring an industry into any mountain area.

Mr. Chairman, I also know that we have a great problem of training people throughout the country. Surely they need training. My State, Alabama, is now in the process of undertaking a great program of building trade schools in which to train its people. We have been able to do that in spite of the fact that we have a lot of depressed areas on the map in the State of Alabama. We may be depressed in comparison to other areas of the country that are more wealthy. However, we are a proud people. We are working hard. We are producing enough taxes to become progressively one of the wealthier States of this Union.

Mr. Chairman, I watched as the map unfolded some of the counties which are located in the congressional district of my State which it is my privilege to represent. We have in the Appalachian region one section that we call Sand Mountain, a flat plateau of mountain area. It is one of the most productive farming areas in the United States. It is populated with mountain people who possess a lot of pride.

Mr. Chairman, I would hate for them to think that they wanted me to stand on the floor of this Congress and call



them a people dependent upon the Federal Government and people who live there as depressed. They are not depressed. They have toiled with their hands and built a great land.

Mr. GRAY. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Alabama. I yield to the gentleman from Illinois.

Mr. GRAY. The gentleman is making a very impressive statement, but I wonder if he knows that over \$500 million a year is going to relief and related programs in this region the gentleman represents for the cost of these people now?

Mr. MARTIN of Alabama. I do not think this is going to solve that question. Can the gentleman prove it will take one man off the payroll?

Mr. GRAY. They have been depressed a long time. We would like to try something. I am not in the Appalachian region myself, but as a member of the Committee on Public Works I feel it is worth an effort to try to transfer relief checks into paychecks.

Mr. MARTIN of Alabama. I agree with the gentleman we should try to get relief checks into paychecks. But I am a believer in the free enterprise system as the answer to this problem. I do not think you will solve the problem by this bill.

Mr. GRAY. I would like to point out again to the gentleman that it is costing \$500 million a year now. That is a lot of money.

Mr. MARTIN of Alabama. It is a lot of money, yes, but I think we are solving these problems in the framework of the free enterprise system of our country. You are not going to solve unemployment by passing an Appalachia bill.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Alabama. I yield to the gentleman from Florida.

Mr. CRAMER. I think the remarks of the gentleman from Illinois illustrate the fallacy, the proven fallacy, of the approach of the majority relating to depressed areas and unemployment in this country. We have heard assertions for the last 6 years now that the answer to unemployment is to spend Federal money. I recall the assertion that \$900 million spent in a period of about 18 months for an accelerated public works program in all these areas evidenced on the map, some 1,407 areas, was the answer to the problem. It was stated this would put people to work. It was proven it did not put them to work in any substantial quantity, and when it did put them to work it cost the taxpayer an average of more than \$10,000 per man-year.

I call the gentleman's attention to the fact that there are new assertions in the programs proposed here as well as the ones already in existence. For instance, there is a request this year for fiscal 1966 for programs that have a relationship to combating poverty. I will ask unanimous consent to include a list of these in the RECORD at this point.

The material referred to follows:

TABLE 1.—Federal programs currently operating to combat poverty (as provided for in the budget for fiscal year 1966)

(NOTE.—These are Federal programs having the purpose or effect of helping to eliminate the causes of poverty or to ameliorate the conditions of poverty; many of these programs are aimed specifically at the poor, others are of a more general application.)

[In millions]		Amount budgeted
Office of the President: Office of Economic Opportunity <sup>1</sup> .....		\$1,465.5
Department of Agriculture:		
Agricultural research (Hatch Act) <sup>2</sup> .....		45.9
Cooperative extension (Smith-Lever Act).....		70.8
Farmer Cooperative Service.....		1.2
Economic Research Service <sup>3</sup> .....		9.5
Special milk program <sup>4</sup> .....		100.0
School lunch program <sup>5</sup> .....		411.7
Food stamp program.....		100.0
Donation of commodities to needy persons (other than school lunch program) <sup>6</sup> .....		197.1
Farmers Home Administration (rural housing grants and loans):		
Development loans.....		1.4
Grants.....		10.4
Loans to elderly.....		19.0
Building loans.....		11.0
Total.....		41.8
Rural renewal loans.....		3.0
Direct loan accounts <sup>7</sup> .....		349.0
Real estate.....		49.0
Operating.....		300.0
Rural Community Development Service.....		0.1
Rental housing for elderly.....		5.0
Subtotal.....		1,335.1
Department of Commerce: Area Redevelopment Administration:		
Operations and technical assistance.....		4.1
Grants for public facilities (requires new legislation).....		10.5
Area Redevelopment Loan Fund.....		0
Subtotal.....		14.8
Department of Health, Education, and Welfare:		
Office of Education:		
Vocational education acts <sup>8</sup> .....		257.5
Student loan program (National Defense Education Act) <sup>9</sup> .....		179.3
Science, mathematics, foreign language instructional equipment and audiovisual equipment for elementary and high schools (National Defense Education Act).....		79.2
Improved counseling, testing, and guidance in schools (National Defense Education Act) <sup>10</sup> .....		31.7
Cooperative research and demonstrations.....		25.0
Education of handicapped children <sup>11</sup> .....		21.5
Vocational rehabilitation Administration:		
Vocational rehabilitation grants to States <sup>12</sup> .....		124.0
Vocational rehabilitation research and training.....		45.8
Public Health Service:		
Chronic diseases and health of the aged <sup>13</sup> .....		61.2

TABLE 1.—Federal programs currently operating to combat poverty (as provided for in the budget for fiscal year 1966)—Continued

[In millions]		Amount budgeted
Department of Health, Education, and Welfare—Continued:		
Public Health Service—Con.:		
Communicable diseases.....		\$39.3
Community health practice.....		63.4
Hospital construction (amount here is that proposed for 5-year extension of Hill-Burton Act) <sup>14</sup> .....		303.0
Environmental engineering and sanitation <sup>15</sup> .....		15.9
Indian health activities <sup>16</sup> .....		66.0
Social Security Administration:		
Federal old-age and survivors insurance trust fund payments.....		17,800.0
Unemployment, compensation and employment services.....		492.1
Welfare Administration:		
Public assistance grants to States <sup>17</sup> .....		2,966.4
Public Assistance Administration, services and training (grants to States) <sup>18</sup> .....		295.7
Bureau of Family Services <sup>19</sup> .....		6.2
Maternal and child welfare <sup>20</sup> .....		162.0
Office of Aging.....		7
Cooperative research for social security.....		2.0
Subtotal <sup>21</sup> .....		22,937.9
Department of the Interior: <sup>22</sup>		
Indian education and welfare.....		106.8
Indian resources management.....		0.1
(Indians) construction of facilities and irrigation systems.....		70.0
Subtotal.....		176.9
Department of Labor:		
Manpower training and development.....		16.8
Unemployment Insurance Service and U.S. Employment Service.....		13.4
Subtotal.....		30.2
Housing and Home Finance Agency:		
Low-income housing demonstration programs.....		.1
Public facility loans (1965 capital outlay).....		100.0
Urban renewal grants.....		1,623.0
Low rent public housing grants.....		248.2
Low rent public housing development loans.....		646.8
Subtotal.....		2,618.1
Small Business Administration:		
Business loans.....		240.1
Investment and development company assistance; debenture purchase and loans.....		79.0
Subtotal.....		319.1
Total.....		28,897.4
<sup>1</sup> Includes the Job Corps, community action programs, migrant agricultural employees program, rural areas program, work experience program, adult literacy program, volunteer program, and general direction and administration		
<sup>2</sup> Includes project for improving rural life.		
<sup>3</sup> Farm economics and marketing economics.		
<sup>4</sup> Whole milk for children in schools, day camps, etc.		
<sup>5</sup> Includes both commodities and cash payments.		
<sup>6</sup> The 1964 figure (1966 estimate not available) for donation of food for needy persons		



through public and private welfare and charitable agencies.

<sup>7</sup> 90 percent of loans go to farmers with income of \$3,000 or less. Purpose identical to poverty act grants and loans to farmers.

<sup>8</sup> Includes funds to Commissioner for direct help for culturally deprived youth (residential schools, workstudy, and special projects), also, State plans include heavy emphasis on out-of-school youth.

<sup>9</sup> Specifically intended for needy but able college students fund is now meeting colleges' requests. States give priority to schools most in need of assistance to buy expensive equipment.

<sup>10</sup> Key part of efforts to prevent school drop-outs.

<sup>11</sup> Program designed to prevent future dependency.

<sup>12</sup> These two programs heavily emphasize and assist in expanding, improving, and coordinating State and local services and facilities.

<sup>13</sup> These programs (9, 10, 11) make a major contribution to State and local efforts to improve general health and to prevent, control, and treat disease.

<sup>14</sup> Includes nursing homes, diagnostic and treatment centers, rehabilitation centers, and project grants for comprehensive area plans for medical facilities.

<sup>15</sup> Grant assistance to States, cities, industries, and researchers to eliminate health hazards from food and water.

<sup>16</sup> Full range of health, medical, and hospital services for Indians and Alaskan natives; health education.

<sup>17</sup> Payments to individual recipients, medical care for the aged.

<sup>18</sup> A major purpose of these grants is to finance State and local programs to prevent dependency and causes of dependency.

<sup>19</sup> Administers public assistance grants, coordinates Federal and State efforts, provides technical and other assistance for programs to prevent dependency.

<sup>20</sup> Grants to States, including research and demonstration for improved maternal and child health services (particularly in rural areas), child welfare services and crippled children's services.

<sup>21</sup> Includes \$17.8 billion Federal old-age and survivors insurance trust fund payments (social security).

<sup>22</sup> These three programs, plus Public Health Service health services, relate to nearly every phase of Indian life.

TABLE 2.—Existing Federal programs which overlap programs proposed in S. 3, the Appalachian Regional Development Act of 1965—Amount budgeted for fiscal year 1966

[In millions]	
Sec. 201—Appalachian Development Highway System: Federal-aid highway program:	
Interstate System.....	\$2,660.0
Primary system.....	440.0
Secondary system.....	296.0
Urban highways.....	246.0
Total.....	3,642.0
Sec. 202—Demonstration Health Facilities:	
Title IV of the Public Health Service Act.....	260.0
Mental Retardation Facilities Construction Act and the Community Mental Health Center Construction Act....	22.0
Total.....	282.0
Sec. 203—Land stabilization, conservation, and erosion control:	
Agricultural conservation program.....	250.0
Cropland conservation program..	10.0

TABLE 2.—Existing Federal programs which overlap programs proposed in S. 3, the Appalachian Regional Development Act of 1965—Amount budgeted for fiscal year 1966—Continued

[In millions]	
Sec. 203—Land stabilization, conservation, and erosion control—Continued	
Conservation reserve program....	\$150.0
Soil conservation service.....	218.0
Total.....	628.0
Sec. 204—Timber Development Organizations:	
Forest Service programs.....	340.0
Farmers Home Administration credit programs.....	248.0
Total.....	588.0
Sec. 205—Mining Area Restoration: The act of Aug. 31, 1954; the act of July 15, 1955; and the act of Oct. 15, 1962.....	1.2
Sec. 206—Water resource survey:	
Civil works program of the U.S. Army Corps of Engineers for surveys, research, and development of water resources.....	24.0
Department of the Interior, Bureau of Reclamation, general investigations, surveys, and studies on water resources....	11.5
Total.....	35.6
Sec. 211—Vocational education facilities:	
The act of Mar. 1, 1931; the act of Mar. 18, 1950; the act of Aug. 1, 1956; the act of Sept. 25, 1962; the Vocational Education Act of 1946; and the Vocational Act of 1963.....	257.5
Sec. 212—Sewage treatment works: Sections 301, 311, and 361 of the Public Health Service Act and the Federal Water Pollution Control Act for water supply and water pollution control....	40.6
Federal Water Pollution Control Act construction grants.....	100.0
Subtotal.....	140.6
Sec. 214—Supplements to Federal grant-in-aid programs (those programs in addition to secs. 201-212):	
Watershed Protection and Flood Prevention Act.....	5.7
Library Services Act.....	55.0
Federal Airport Act.....	75.0
Higher Education Facilities Act of 1963.....	641.8
Land and Water Conservation Fund Act of 1965.....	125.0
National Defense Education Act of 1958.....	412.6
Total.....	1,315.1
Total.....	6,890.0

Mr. CRAMER. Including social security, it amounts to \$28.897 billion. Taking social security out, it is \$11 billion. Included in this aid to depressed areas and aid to unemployment this year, and in the bill we passed last year for the Office of Economic Opportunity, \$1,465,500,000 is requested for the assistance of unemployed people in the area of the Job Corps, the community action program, the agricultural program, the rural area program, work programs, the adult literacy program, and others, and

in the area of vocational education, a duplication of what is in this bill. In addition to that, \$100 million for the food stamp plan. You have the Manpower and Development Training Act program. There is also a figure in excess of \$300 million for the next 5 years for hospital construction under the Hill-Burton Act.

So I think the fallacy is obvious in the position of spending a few billion dollars for this, and this is a \$1.92 billion program for Appalachia alone, for the right-to-work program, pumping Federal money into everything might employ a few more people, even though the cost is far disproportionate to the people employed.

Would not the gentleman agree to that?

Mr. MARTIN of Alabama. Yes.

Mr. CRAMER. Does not the gentleman agree further that one of the clearest examples where, in my opinion, we are going to have a bigger abuse, you will have more political shenanigans, you will get less benefit as a result, is the access road program in the highway section, that permits them to build highways without any standard of construction, without any responsibility to maintain those highways for the first time in the history of Federal aid legislation. Without any requirement of maintenance they can build these access roads, a thousand miles of them, to any motel or hotel or business, golf course, or almost any other private facility, providing all that without limitation.

Does not the gentleman agree with that?

Mr. MARTIN of Alabama. Yes, I do.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. CRAMER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. McCLODY. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Alabama. I yield to the gentleman from Illinois.

Mr. McCLODY. I think the gentleman's remarks are really pertinent insofar as they discuss the fact that industry may or may not come into the area if they are provided with these benefits that the Appalachia bill would provide. I do not think there is any assurance that can be given in this kind of legislation that with all of the attractiveness, with the new highway construction and the other benefits that would be provided here, industry would go there.

I am reminded of the situation in Brazil, where the Brazilian Government undertook to construct a whole community called Brasilia out in the hinterlands with the idea that it was going to be a center of activities and was going to attract a lot of people there and provide a lot of benefits for the whole nation. It virtually destroyed the country, because of this great economic investment in that area and the fact that it was not attractive for industry or business or people to go there. The problems of the country have been monumental. The distress that has resulted from this effort on the part of the Brazilian Government has been far-reaching, practically to the point of destroying the nation itself as a nation.



I think this is the riskiest sort of governmental planning. It gives no real assurance that any benefits could come even to the area that is intended to be benefited.

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Alabama. I yield to the gentleman from New Hampshire.

Mr. CLEVELAND. The gentleman from Illinois may not have attended the committee when the gentleman from South Carolina [Mr. DORN] said something to the effect that the Duke Power Co., of South and North Carolina, has an application before the Federal Power Commission which, if granted, would call for the spending of almost as much money in the Appalachian area as this entire bill. It seems strange to me that we have the Federal Government here with one hand holding up the development of Appalachia, if the information given us by the gentleman from South Carolina is correct, and on the other hand pouring this largess in.

Is it true that 11 of the gentleman's 12 counties are in this area?

Mr. MARTIN of Alabama. Yes.

Mr. CLEVELAND. I should like to nominate the gentleman for the "Profiles of Courage" award. I admire the gentleman's courage, if 11 of his 12 counties are in this area and he has decided to vote against this bill. I hope that there are enough people in the gentleman's district that will recognize this courageous action the gentleman has taken. I hope this will be recognized far beyond the area of the gentleman's district. It is most refreshing to me to know there are still people here in the Congress who have the courage to vote their convictions instead of just voting their districts. I congratulate the gentleman.

Mr. MARTIN of Alabama. I thank the gentleman.

In conclusion, I would remind the Members of this body that when we vote for this bill we should in good conscience, if we do vote for it, vote for bills for other areas. Since I am not of the view that we want to embark on another spending program for the entire United States, I cannot vote for my region and turn around and cast a vote for another region. Let us stop this trend of more spending. Let us stop this trend of doing now and putting our children in debt. When we have the money in the bank I am willing to do it, but not now.

Mr. McCARTHY. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Alabama. I yield to the gentleman from New York.

Mr. McCARTHY. Does the gentleman recall an amendment in committee when he tried to insert another county into the program?

Mr. MARTIN of Alabama. I recall it because I wanted to bring out the unfairness to the gentleman and the other gentleman, that you had included counties of great wealth in my district but excluded one of extreme poverty. If I was not, under the circumstances the gentleman mentions, able to explain it sufficiently to you, how could I explain it to the people back home? I think if you are going to use it for poverty, you ought to put it where poverty is.

Mr. JONES of Alabama. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. McCARTHY].

(Mr. McCARTHY asked and was given permission to revise and extend his remarks.)

Mr. McCARTHY. Mr. Chairman, the southern tier of New York State stretches for 350 miles from Delaware County on the east to Chautauqua County on the west. It is predominantly rural; covered with hills, some rolling and some jagged.

During the early months of the planning for this Appalachian program, New York participated. But after about a year, New York withdrew. In the early stages the 13 counties of New York, the southern tier, were included because geographically and economically they shared the characteristics of Appalachia. But when the Governor of New York withdrew, they were not included.

This omission I feel, Mr. Chairman, is contrary to the purposes of this bill which is to provide through regional planning and development. These counties certainly are part of the region of Appalachia. Now this omission was noted, as our distinguished colleague from New York pointed out earlier, by the junior Senator from New York. He introduced an amendment which was concurred in by the senior Senator from New York who proposed certain changes. The junior Senator accepted those modifications and the amendment was passed by the other body.

The amendment directs the Appalachian Region Commission to consider including the 13 southern tier New York counties. If, after consultation with New York, the Commission concludes that these counties share the social and economic characteristics of Appalachia and that their inclusion would further coordinate economic development of the entire region, it would then invite New York to participate. If the Governor of New York accepts, these counties would be included. Now there is no doubt in my mind, Mr. Chairman, that these counties do in fact share the social and economic characteristics of Appalachia and lag behind the rest of the Nation. They are poor. Two hundred thousand families in this area, 12 percent of the total, have incomes under \$2,000 a year. In Delaware, Allegany, and Oswego Counties, 15 percent of all families have incomes in this bracket. This is more like West Virginia than the neighboring counties in Pennsylvania. In West Virginia 17 to 18 percent have incomes under \$2,000 and in the neighboring counties of Pennsylvania there are only 11 percent. Now these facts have sad consequences. Young people more and more are fleeing from this region. In the Nation as a whole, 15 percent of our population are in the age bracket of 15 to 24. But in the southern tier of New York, only 12 percent of the population is in this bracket. The future of the southern tier of New York, like that of the Nation as a whole, lies in its youth. If the youth continue to flee from this region, the region will have no future.

This amendment definitely does not include the 13 counties because it is a voluntary program and the Governor of

our State despite the poverty that exists there has for some strange reason not seen fit to ask for their inclusion. But I believe that the door should be left open.

Mr. Chairman, opponents of this amendment have cited certain prosperity in this area in Elmira, Binghamton, Jamestown, and Corning. It is true that there is prosperity, but I think that this is good for the overall bill. The fact that there are small pockets of prosperity tucked into this huge fabric of poverty does not change the case.

It strengthens the case, because these pockets of prosperity can be the affluent nuclei around which prosperous regional economies can be built. But modern arteries of concrete must be stretched out from the these pockets of prosperity. The penetration of the southern tier of New York by an adequate transportation network is the first requisite of its full participation in industrial America. An adequate highway system is an absolute essential to economic progress in these rolling hills.

I urge retention of this amendment.

Mr. JONES of Alabama. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia [Mr. KEE], a member of the committee.

Mr. KEE. I thank the gentleman for yielding.

Mr. Chairman, the 11 States of the Appalachian region had very serious economic problems of long-term duration. Because of these difficulties, the Governors met at Annapolis, Md., in 1960 for the purpose of finding out what could be done. These Governors requested the President of the United States to establish the President's Appalachian Regional Commission. This Commission was established on April 9, 1963.

This Commission included representatives of the Governors and a representative of the heads of major Federal departments and agencies, and it worked diligently to prepare a comprehensive program for the economic development of the region. The work of this Commission resulted in the legislative proposals we are considering on the floor of the House today.

In fact—this is one point which is absolutely clear and no man can deny it—these proposals came primarily from the Governors of the 11 States involved and not from the Federal Government.

(Mr. LANGEN (at the request of Mr. CRAMER) was given permission to extend his remarks at this point in the RECORD.)

Mr. LANGEN. Mr. Chairman, I should certainly agree with the minority report on this bill that it would provide preferential treatment for one region, thereby discriminating against other areas with equal or greater need. In fact, my own Seventh District of Minnesota is a good example of areas that would certainly qualify for Appalachian funds according to the criteria put forth for such need. For instance, we are told that in the Appalachian area 30.7 percent of the families earn less than \$3,000 a year, the statistical figure so often thrown about these days as the point of no return for the poverty stricken. In the Seventh Congressional District of Minnesota, 27 percent of the families



earn less than \$3,000 a year, but I have not heard anyone calling the area poverty stricken. The Seventh District needs realistic help in its efforts to improve its income level, but Appalachia is not going to do the job. In fact, the Appalachian Act will hurt such areas as the Seventh District of Minnesota.

This points out the wisdom of the minority who recognize the dangers and inherent unfairness of confining such sweeping aid to only one region of the Nation. This same minority also has proposed an alternative plan, a program for all of the Nation instead of just Appalachia. The Appalachian region, of course, would also benefit, but so would other areas of need. This Republican alternative recognizes the fact that if such large sums of money are to be spent, they should be available on an equal basis to all areas of need in this Nation.

One of the aspects of the bill before us today that has been noted in particular by the writers of the minority view concerns the section on highway construction. It is noted that 85 percent of the program is for highways, even though our National Highway System has been developed so that all of the States in the Union, on a time-tested formula, have shared in a fair manner in the Federal funds available for highway construction. But now, for the first time, 11 States are being singled out to receive \$840 million of special funds for development of highways and access roads. Some of those States are among the largest and wealthiest in the Nation.

I always thought that when you built a better mousetrap, the public would beat a path to your door. Under this Appalachian bill, we are going to beat the path to the door first.

A disturbing aspect of assistance for Appalachia in such a massive form are contained in statistics that are finally coming to the attention of the Congress. We are led to believe that Appalachia will never recover or approach the national income average without this bill.

Unfortunately, most of the statistics thrown around were taken from the 1960 census and do not reflect progress made in the last 4 years by the communities themselves, through private capital moving into the area due to the availability of manpower and natural resources. Recent reports show that the gap between Appalachian income and the U.S. average is narrowing. In West Virginia, for instance, unemployment dropped from 105,000 in 1961 to under 60,000 in 1964. Such progress is commendable, and reflects the basic spirit of America that has always believed that Washington's job is to do only what the private and local sectors cannot do. But I can imagine how much initiative there will remain for such improvement after Uncle Sam takes over the job, at the expense of the rest of the taxpayers in the Nation. We must not lose sight of the fact that lasting prosperity is only created by policies encouraging expansion of job-creating, taxpaying enterprises.

Another section of the bill before us that concerns me is the section on land improvement, although the terminology

has been changed to say "land stabilization, erosion, and sediment control, and reclamation through changes in land use, and conservation treatment." We should remember that this section was entitled, "Pasture Improvement and Development" in the Appalachian bill of the last Congress, and would have authorized the Secretary of Agriculture to make grants to landowners in amounts up to 80 percent of the costs of improving and developing 25 acres of pastureland owned by such landowner in the region.

The only difference between that bill and the one before us today is that the acreage per farm has been increased from 25 acres to 50 acres and that cropland is included with the pastureland as eligible for improvements. What this section does is to transfer the pockets of poverty from marginal farms in Appalachia out onto the plains of America where beef and other crops are already being overproduced. Our Government recently spent \$25 million to keep excess beef off the market, and we are already paying to keep 53 million acres of farmland out of production.

The relationship of the crop and pastureland improvement section of this bill on the rest of rural America is apparent. The Budget Director tells the rest of the Nation that 2½ million farmers must leave their lands because they are not "efficient" enough. But here in this bill we see this same administration attempting to set up another round of marginal farms to compete with the rest of the country, raising crops and commodities that already are in surplus. It is obvious that this scheme, like so many others we have noted in recent years, follow the very same pattern of transferring misery from one section of the Nation to another. You would think they would learn from past experience.

There is another aspect of this bill that does not make sense. Section 214 is, in effect, a reenactment of the discredited and ineffectual Public Works Acceleration Act for the Appalachian region. In fact, it is even worse than the forerunners, since this section provides for an increase to 80 percent for the Federal share of projects instead of the original 50 percent in the Public Works Acceleration Act.

Accelerated public works—APW—and the Area Redevelopment Administration—ARA—have long lists of dismal failures, unable to show any substantial reduction in unemployment actually attributable to the programs. Even the present administration appears to have deserted the continuation of these programs, which makes the inclusion in this bill even more strange.

ARA and APW are no strangers to Appalachia. ARA admitted last year that about 30 percent of its funds were spent in the Appalachian States, or that approximately 23 percent of the APW funds were spent in Appalachian counties—without any apparent improvement in the employment picture attributable directly to such programs.

Add to this the fact that 76 of the Appalachian counties are not now eligible for grants under the Public Works

Acceleration Act because they do not need it. But, under the Appalachian bill before us today, they would indeed become eligible.

Mr. Chairman, I respectfully suggest that the bill before us has too many deficiencies, that more thought is needed before this Congress or this Government can effectively combat poverty in this Nation. While I certainly am in favor of governmental efforts to assist our unfortunate citizens, I believe we need better programs than those offered in this bill that pours millions into a sweeping program for an isolated area. Let us reconsider.

Mr. JONES of Alabama. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region, had come to no resolution thereon.

#### AMENDMENT TO THE INTERNAL REVENUE CODE OF 1954

(Mr. LAIRD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LAIRD. Mr. Speaker, I have today introduced a bill (H.R. 5577) to clarify the status of the Marshfield Clinic, Marshfield, Wis., for Federal tax purposes.

The Marshfield Clinic was incorporated in 1916 under the general business corporation law of Wisconsin. It has become a major economic factor in the community and a major medical institution in the State of Wisconsin.

During the almost 50 years of its existence, the clinic has operated as a corporation. During this period it has been taxed as a corporate employer. The doctors on its staff are salaried and have been treated as employees for withholding taxes, social security taxes, and unemployment compensation taxes, both State and Federal.

Coincidentally, the history of the Marshfield Clinic covers the same span of years as the Federal income tax. For some 49 years, no one has questioned its corporate existence for Federal tax purposes. At this late date, the Commissioner of Internal Revenue has promulgated regulations with respect to so-called professional corporations which would take away from the Marshfield Clinic its corporate status.

Although the regulations in question were directed at a different type of professional corporation, organized under special laws enacted in recent years, no effort was made to limit the impact of the regulations to that type of corporation. Instead, the regulations would reuse to recognize any professional corporation, regardless when or how organ-









# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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**HIGHLIGHTS:** House debated Appalachia bill. House received President's message on housing and urban development. Rep. Findley inserted Lubbeck Cotton Exchange letter criticizing cotton program. Rep. Reifel commended cooperation of REA coops and private power companies in S. Dak.

### HOUSE

1. APPALACHIA. Continued debate on S. 3, to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region. pp. 3819-51, 5002

Rejected the following amendments:

By Rep. Cramer, 65 to 152, which would have substituted the text of H.R. 4466, to extend the proposed program to other economically depressed areas throughout the U. S. pp. 3838-45

By Rep. Cramer, 66 to 118, to strike out a provision which he stated would give the Federal Cochairman of the Appalachian Regional Commission "an absolute veto over any program and over any project. pp. 3845-7

By Rep. Baldwin, to strike out provisions authorizing the construction of access roads in the area. pp. 3848-50

By Rep. Saylor, to increase from 70 to 90 percent Federal assistance for construction of highways in the area. p. 3851

2. HOUSING. Received the President's message on housing and urban development (H. Doc. 99)(pp. 3812-16) in which he called for establishment of a Department of Housing and Urban Development; proposed a program of matching grants to local governments for building new basic community facilities with an appropriation of \$100 million for fiscal year 1966; and urged Congress "to continue, on a modified basis, the existing housing programs which have proven their ability to meet important needs." The message includes the following statement: "Nor can we forget that most of our programs are designed to help all the people, in every part of the country. We do not intend to forget or neglect those who live on the farms, in villages, and in small towns. Coordinated with the Department of Agriculture, the programs I have outlined above can do much to meet rural America's need for housing and the development of better communities."
- Reps. Albert, Boggs, and others commended the message. pp. 3816-8, 3883-4
3. EDUCATION. The Education and Labor Committee voted to report (but did not actually report) H. R. 2362, to strengthen and improve educational quality and educational opportunities in elementary and secondary schools. p. D145
4. ELECTRIFICATION. Rep. Reifel commended the agreements worked out between REA cooperatives, municipal power users, and investor-owned power companies in S. Dak. recently "over the troublesome territorial integrity dispute," and inserted several items discussing the agreements. pp. 3877-8
5. COTTON. Rep. Findley inserted a letter he received from the president of the Lubbock Cotton Exchange critical of the present cotton program and stating that it "has brought about a decrease in cotton exports, an increase in Government cotton stocks and much added costs, and a reduction in the cotton farmers income." pp. 3874-5
6. APPROPRIATIONS. Received from the President proposed supplemental appropriations for pay act costs (H. Doc. 98)(p. 3890) which include proposals for this Department as shown on the attached table. This document includes proposed supplemental appropriations of \$14,578,000. Together with supplemental appropriations for pay costs previously submitted to Congress (H. Doc. 80), a total of \$24,515,000 is requested for pay costs.
- Reps. Mahon, Bow, and Minshall reviewed the history and highlights of the House Appropriations Committee on the 100th anniversary of its establishment. pp. 3863-8
7. ECONOMIC STATISTICS. Rep. Curtis inserted an item by Osker Morgenstern, professor of political economy, Princeton Univ., discussing margins of error in the collection and publication of economic statistics. pp. 3875-6
8. RESEARCH. Rep. Rousch criticized the geographical distribution of Federal research and development funds among the States. p. 3852



Private Calendar bills unfinished on one Tuesday go over to the next Tuesday on which such bills are in order and are considered before the call of bills subsequently on the calendar. Omnibus bills follow the same procedure and go over to the next Tuesday on which that class of business is again in order. When the previous question is ordered on a Private Calendar bill, the bill comes up for disposition on the next legislative day.

Mr. Speaker, I would also like to describe to the newer Members the official objectors system the House has established to deal with our great volume of private bills.

The majority leader and minority leader each appoint three Members to serve as Private Calendar objectors during a Congress. The objectors have the responsibility of carefully studying all bills which are placed on the Private Calendar. When the Private Calendar is called, the objectors are on the floor ready to object to any private bill which they feel is objectionable for any reason. Seated near them to provide technical assistance are the majority and minority legislative clerks.

Should any Member have a doubt or question about a particular private bill, he can get assistance from the objectors, their clerks, or from the Member who introduced the bill.

The great volume of private bills and the desire to have an opportunity to study them carefully before they are called on the Private Calendar has caused the six objectors to agree upon certain ground rules. Those rules limit consideration of bills placed on the Private Calendar only shortly before the calendar is called. The agreement is as follows:

Reaffirming the policy initially adopted on June 3, 1958, the members of the majority and minority Private Calendar objectors committees have today agreed that during the 89th Congress they will consider only those bills which have been on the Private Calendar for a period of 7 calendar days, excluding the day the bills are reported and the day the Private Calendar is called.

It is agreed that the majority and minority legislative clerks will not submit to the objectors any bills which do not meet this requirement.

This policy will be strictly observed except during the closing days of each session when House rules are suspended.

The agreement was entered into by the majority objectors—the gentleman from Massachusetts [Mr. BOLAND], the gentleman from Oregon [Mr. DUNCAN], the gentleman from Georgia [Mr. DAVIS]—and the minority objectors—the gentleman from Massachusetts [Mr. CONTE], the gentleman from New York [Mr. McEWEN], and the gentleman from California [Mr. TALCOTT].

I feel confident I speak for my colleague objectors when I request all Members to enable us to give the necessary advance consideration to the private bills, by not asking us to depart from the above agreement unless absolutely necessary.

#### APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

Mr. JONES of Alabama. Mr. Speaker, I move that the House resolve itself into

the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region.

The motion was agreed to.

#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 3, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the gentleman from Alabama [Mr. JONES] had 53 minutes remaining. The gentleman from Florida [Mr. CRAMER] had 51 minutes remaining.

The Chair recognizes the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, I yield 8 minutes to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Chairman, the RECORD shows, without my repeating it, that I support S. 3, the Appalachian Regional Development Act. My only regret is that we are unable at this time to go further toward relieving the economic hardships and privations suffered by the people of this region. S. 3 is all right, as far as it goes, but it is only a start toward putting the Appalachian highlands region back on its feet, so that it can share in the progress of 20th-century America.

A century ago, this was one of the richest and loveliest regions of America, inhabited by a race of tough, aggressive Americans, who were able to subjugate the wilderness and make homes for themselves and their families through the development of the abundant natural resources of the region. Coal, timber, and other minerals were present in large quantities, ready for development. Under the methods then in practice, they formed the basis for a strong local economy, although it was somewhat isolated from the surrounding regions by the mountain barriers to transportation. Toward the end of the last century, rights to much of the natural riches of coal and timber were acquired by big corporations and wealthy speculators from outside the region.

During the first half of the present century, development proceeded rapidly, without much consideration of the long-term human needs of the people. With the changing technology of the mid-20th-century coal industry, the economy of the region has been thrown into turmoil, leaving unemployment and human misery that is sapping the strength of the people. Declining employment, lack of financial resources to pay for construction of roads, bridges, and other public facilities, and out-migration of many of our best people, have created conditions that are so severe as to warrant the use of the term crisis. This crisis can be met only by a substantial program to bring new money into the region to undertake the types of community improvement and development projects and programs which are an essential basis for a stable economy. In

other words, we need to bring new money into the region to replace the natural resources, exploitation of which over past decades has contributed so much to the enrichment of the American Nation.

The funds provided by S. 3 are not handouts to a poor region that is in desperate need. Rather, the enactment of this legislation will permit a profitable investment to be made in an 11-State region of the United States, thus restoring vitality to the economy of the Appalachian highlands, and enabling the people again to stand on their own feet, control their own destiny, and make a contribution to the economic growth of the Nation.

It has been my privilege to work toward the passage of Appalachian development legislation for a long time. My people of the seventh district in Kentucky have long suffered the results of the exploitation of the coal and timber resources by absentee owners. Lacking capital of our own, we permitted the cream of our resources to be skimmed off for the benefit of other regions. Many of our people were forced to depend on a bare subsistence agriculture which depleted our soil resources and led to increased problems in the management of water resources. Improper soil disposal from mining operations permitted mountainsides to be laid bare by erosion, and stream valleys to be choked with debris. Acid mine wastes have polluted our water supplies. Our valleys are subjected to severe flood hazards every winter and spring, while the dry periods during summer and fall finds inadequate water supplies in our streams to meet needs of our cities and industries. Twice in the last decade record-breaking floods have struck eastern Kentucky, making it necessary for portions of the area to be declared a disaster area.

It has long been my view that the place to start toward the economic salvation of my district was the development of its water resources.

Thus, on February 12, 1962, during the 87th Congress, I introduced the first bill, H.R. 10346, to provide for a conservation program for the Appalachian highlands area. This was aimed at providing a solution to the pressing problem of watershed development, since the Public Law 566 program was proving to be inadequate to cope with the problems of my district. In the 88th Congress, I expanded my bill to call for the development of all the land and water resources of the Appalachian highlands, the acceleration of all Federal public works programs in the area, and other programs for providing technical and financial assistance to land development, including an amendment to the Watershed Protection and Flood Prevention Act to permit expanded Federal operations under terms that would encourage participation by the depressed areas of Appalachia. This was encompassed in H.R. 5525 of the 88th Congress, which I introduced on April 8, 1963.

Following the evolution of the broader program developed by the President's Appalachian Regional Commission subsequent to my initial introduction of an Appalachian Highlands conservation bill, the administration submitted a draft bill



to carry out the program. This bill passed the Senate in September 1964. This year I introduced H.R. 132, patterned after last year's Senate bill and including the whole broad range of programs being considered to provide some relief for the economic problems of Appalachia. I am pleased that S. 3, as passed by the Senate, and reported by the House Public Works Committee, incorporates most of the provisions of my bill. While I am sure that the bill does not go far enough in all respects, it will permit a start to be made toward rejuvenating the economic development of the Appalachian highlands. As work progresses, there will be opportunity to amend the law, if necessary, to more clearly adapt the program to the needs of the area. At such time consideration should be given to authorization of an expansion of the program authorized by the Public Works Acceleration Act—Public Law 87-658—in the Appalachian region, as well as increases in the levels of other programs to the extent contemplated in my bill, H.R. 132.

The bill strikes at the heart of one of the chief causes of the poverty in Appalachia—its isolation from the mainstream of American economic and social progress because of the lack of major highways and the extremely poor and often impassable byways. The construction of roads and highways, both developmental and access, to assure every family ready access from its home to a job, to a market, to school, and to those other centers of activity that have meaning in our modern society, must command the highest priority. My only reservation concerning the highway and road construction provisions of this legislation is that the bill does not authorize a large enough investment in the construction of these roads. I emphasize the word "investment" because of the construction of roads and highways throughout eastern Kentucky and all of Appalachia will erase its isolation and will permit natural economic forces to allow Appalachian families to enjoy the general prosperity of the Nation. In many communities in my district there are many families living on roads which are completely impassable to automobiles in many months of the year.

The Grayson Reservoir, now under construction, requires the relocation of several miles of KY 7 and this would be an ideal time to build a modern highway connecting the Mountain Parkway from a point between Campton and Salyersville through West Liberty and Sandy Hook to I-64, between Grayson and Carter Caves with an eventual extension onto U.S. 23 along the Ohio River. In addition U.S. 119 in Kentucky and West Virginia, U.S. 23 and U.S. 460 in Kentucky, KY 80, and other feeder roads should be brought up to modern standards.

I have received the following wire from Henry Ward, Commissioner of Highways, Commonwealth of Kentucky, today which reads as follows:

In connection with the debate in the House of Representatives on the proposed Appalachian area legislation, the Commonwealth of Kentucky has had some experience in the building of a developmental highway pene-

trating the Appalachian area which has demonstrated conclusively the validity of the Appalachian developmental highway system.

Through the issuance of revenue bonds, Kentucky built a toll road from Interstate 64 near Winchester in central Kentucky to Campton, a distance of 40 miles, and an extension of the toll road from Campton to Salyersville, a distance of 38 miles. Freeway extensions to this major highway would be constructed under the Appalachian program. In the first year of operation of the toll road from Interstate 64 to Campton, revenue totaled \$634,056. The traffic engineers' estimate for collection in that same period was \$558,996. The original estimate was based upon completion of the freeway extensions. The significance of the fact that this 40-mile toll road produced, in 1964, \$85,000 more than the traffic engineers estimated is underscored by the fact that the original engineers' estimate was based upon completion of the freeway sections.

This major highway undertaking constitutes the first developmental highway from central Kentucky into the heart of the Appalachian area. In addition to the actual revenue that exceeded expectations, this highway project has stimulated real hope and prospects for economic development of the Appalachian area. Other developmental routes which would be provided by the Appalachian bill would make the greatest contribution possible toward the economic salvation of this important area of our Nation.

In thousands of places families must ford creeks on foot or use footbridges to reach their homes. The lack of ready access to public facilities such as schools, hospitals, physicians, public libraries, courthouses, markets, and similar outlets for the everyday needs of American families today is one of the major reasons for the low level of economic activity. There is little wonder that school dropout rates are high when school buses cannot negotiate the creeks and rutted roads over which they must pass in order to reach many communities. This difficulty of communication extends not only from the family home to the marketplace, to the school, and to the county seat, but also to the larger metropolitan areas of greater commercial and industrial activity.

Appalachia, released from its isolation by the construction of modern roads and highways and other community facilities, will be able to make a great contribution to the prosperity and wealth of the entire Nation because it is a region containing great natural wealth. Eastern Kentucky, that portion of Appalachia which it is my privilege to represent in Congress, in addition to its coal resources and commercially significant deposits of other minerals, abounds in water resources. Four major rivers, three of which are almost totally unharnessed and untamed, present a constant flood threat, yet could be a source of economic vitality. With the constant threat of flood, many of the available land areas suitable for commercial enterprise do not invite capital investment. The siltation and pollution of streams created by a combination of inordinate and uncontrolled rainfall combined with waste as a result of mining operations, has increased the need for a positive, constructive, and effective system of reservoirs and stream and land correction measures. In this respect, the program conducted by the U.S. Army Corps of

Engineers is of vital importance to the region and should be expanded and accelerated within the limits of engineering know-how and feasibility. Those reservoirs which have been already authorized by the Congress should be built at the earliest possible date and at the same time, additional reservoirs should be quickly authorized in order to provide maximum flood protection and additional controlled water supply as well as to strengthen the already widely recognized recreational potential of the area.

The Dewey Reservoir, on Johns Creek, a tributary of the Levisa Fork of the Big Sandy River, completed in 1949, has been found by the Corps of Engineers to serve many more visitors than is normal for Corps of Engineers projects. Total attendance was 764,700 in 1963, with a peak daily attendance of 18,650. At the same time the reservoir prevented flood damages estimated at \$1,519,000 during 1963. As the total cost of the reservoir was only about \$6½ million, it seems obvious that the cost of the reservoir will be returned many times over, during its life, by the flood damages prevented, while at the same time yielding very substantial recreational benefits.

I mention this existing reservoir only as an example of the type of development I envision as stemming from the water resources survey to be authorized by the Appalachia bill. We have every reason to believe that similar results will be achieved through the development of other reservoirs in the Appalachian region. Surveys of some basins are progressing under previous authorizations, and need not await action under section 206 before being considered by Congress. In particular I am looking for early action on the report on the Big Sandy River and tributaries which is now under consideration in the Board of Engineers for Rivers and Harbors of the Corps of Engineers. The report contains recommendations for authorization of three new reservoirs, Yatesville and Paintsville in Kentucky, and Panther Creek in West Virginia. Each of these will have substantial flood control, low flow augmentation for water quality control, and recreational benefits. Additional reservoirs are needed, but have been excluded from the report by the restrictive criteria followed by the Corps of Engineers.

The criteria for program development spelled out in the Appalachian legislation should permit the lower Knox Creek Reservoir to be added to those recommended as a part of the Big Sandy development, and I am urging that the Board of Engineers for Rivers and Harbors take steps to include this project when the report is sent out to the States for review.

I am also hopeful that the bill will spur a vast construction program of other types of public works and community facilities, water systems, sewage facilities, and public parks. It would be most helpful in this respect if it had been possible to incorporate the provisions of section 215 of my Appalachian development bill, H.R. 132. This would provide an authorization for an additional \$500 million for



basic community facilities in Appalachia under the Public Works Acceleration Act.

The acceleration of the construction of vocational education buildings to implement the construction authorized by the Vocational Education Act of 1963 is of tremendous importance and would assure as soon as possible that every young person in the Appalachian area will be provided with an educational opportunity comparable to that afforded in areas of the Nation which have not been similarly depressed by the action of the forces of technological revolution.

Of great importance in the bill are provisions to permit the extremely small family farm to develop pastureland. This will not help very much in the more mountainous areas of Appalachia, but in the rolling or hill areas of Appalachia, there are many families that are barely subsisting on small acreages. Financial assistance to develop pasturage for livestock will aid them greatly, without adding to farm surpluses, by providing dairy products and meat, enabling many families to have a more balanced diet. At present many of these families are not consumers of such farm products. Hopefully, these provisions will prove a means whereby land that has been ravished by either the harvesting of timber or the extraction of minerals could be quickly converted from being a source of siltation and flood runoff, to an area which would assist in the retardation of rapid runoff, thus helping to reduce flood stages.

Some of the provisions of S. 3 may not have the desired effect if limitations added to the bill in the Senate are allowed to stand. I have particular reference to the provisions of section 205 which allows \$36,500,000 for mining area restoration and for a 2-year study of strip mining in the entire United States, but which prevents any of the funds being used on nonpublic lands until authorized by law after completion of the study. This will probably have the effect of delaying any action, at least in eastern Kentucky, if not in many of the other problem areas of Appalachia, for at least 2 years.

The need for a 2-year study of strip mining problems is not apparent to me. A great deal of research has been done already, including several projects at Berea College, Kentucky, for which funds were obtained during the past few years. I have been told that far greater amounts of research on the restoration of strip mining areas has been done in other States. Thus, we know what the problems are, what causes them, and what needs to be done to ameliorate them. It certainly appears unnecessary to hold up taking action until the completion of a 2-year-long study, which is what is likely to happen if the Lausche amendment is allowed to stand.

In connection with the water resources survey that would be authorized by section 206 of S. 3, which is an important part of my original program for Appalachia, it would be shortsighted indeed if we were to permit restrictive criteria on cost sharing, cost allocation, reimbursement of costs, and computation of benefit-cost ratios, that are being developed

by the Bureau of the Budget as a means of holding down Federal expenditures in the field of water resource development, to hold back the very projects that are needed to stimulate economic growth in Appalachia. The bill appears to recognize this issue, by including a program development criteria in section 224(a) (3), calling for consideration to be given to the relative financial resources available to the States or local interests seeking to undertake the project. This should permit deviations from restrictive policies where needed to foster development. Once we get this region back on its feet, economically, it will be time to institute requirements for non-Federal cost sharing, reimbursements, and the intricate details of benefit-cost analysis upon which so many projects in Appalachia have foundered in the past.

I see no need for descriptive reiteration of all the many provisions of the bill which have been covered in the committee reports and in the statements on the floor of the bill. I support the bill wholeheartedly, but I think it would be desirable if its scope could have been larger; I have particular reference to the need for additional funds under the Public Works Acceleration Act of 1962. The bill as reported will provide an adequate start toward a program aimed at making the Appalachian region self-sufficient. This must be our goal, any other would lead to perpetuation of conditions that I think, we all must agree, should not be permitted to exist amid the prosperity of America today.

For all intents and purposes the Lausche amendment will delay for at least 2 years while this study is being carried on any reclamation work in my area and I believe by and large throughout the Appalachian area. But my good friends on the Committee on Public Works tell me that we can come back and they are going to review this legislation. It is for this reason I am wholeheartedly supporting S. 3.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman.

Mr. JONES of Alabama. Of course, the committee thought there was a great need to hurry along the studies that are being made by the Department of the Interior regarding the restoration of the strip mining areas of Kentucky, West Virginia, and Pennsylvania. However, the studies have not reached the point where they have been concluded to the extent of making recommendations to the committee at this time.

As I explained it yesterday, in talking about that section of the bill, we do hope that the work done on public lands will be of such value that we can take the information we obtain from those studies and apply it to private lands at some subsequent date.

Mr. PERKINS. I certainly thank the gentleman for his statement.

(Mr. PERKINS asked and was given permission to revise and extend his remarks.)

Mr. CRAMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have before us a bill which I believe to be one of the most poorly drafted bills ever presented. Despite the comment of the gentleman from Alabama earlier in the debate, I believe it to be one of the most poorly drafted bills, covering a program which will be subject to a greater amount of political favoritism or public works "pork barreling," than any bill which has been before the Congress in recent years. And I do not exclude the two programs which were so highly discredited—the accelerated public works program, involving expenditures of almost \$900 million, as well as the area redevelopment program, not even proposed for additional appropriations. Even the accelerated public works was not proposed for additional authorization.

I wish to cite what I believe to be the most flagrant example—the one that sticks out like a sore thumb—with respect to what I am talking about, the political "pork barreling." I refer to the access road provision in the bill before us.

I should like to take just a minute on this, and I should like for Members to look at the bill itself as well as the report. Let us see what the bill says.

Often, in debate, Members get on the floor of the House and say, "This is what we believe the bill does." When I debate a bill, I like to point to the words, to the language of the bill itself, which speaks for itself, and which should leave no question and no doubt as to what it does.

Of course, there are many things which the proponents would like to see this bill do, but the bill will not do them. There are certain ways the proponents would like to see this program carried out, but the bill does not provide for it.

I saw an interesting quote only a few minutes ago, which came in on the ticker tape, by UPI, from Appalachia.

This is from Appalachia, from Louisville, Ky. This is from one of its outstanding residents, one of the leading authorities on Appalachia. He said that the region is facing the same problems which it faced 50 years ago and that the President's billion-dollar aid bill is not going to change matters. This is Mr. Harry Caudill of Whitesburg, Ky., the author of "Night Comes to the Cumberlands." He says that the real problem there is not being met, which is the problem of getting education for these people. He says that the \$840 million aid to Appalachia is ticketed for roads, which he feels is a mistake, although he says that it will be of some help. Now, here is an authority on the question of Appalachia and its problems. He says that this bill will not do the job, and it will not. This is just another layer, just as the accelerated public works was. They were in here a few years ago and they said, "You give us that \$900 million authorization for accelerated public works, and we are going to solve unemployment in America." They said after that, "You give us training under the Manpower Development and Training Act and give us a certain number of millions of dollars for that and we will train these people.



Give us \$30 to \$40 million a year for job retraining and we will do the job and find jobs for them either in their home communities or elsewhere." Last year they said, "Give us \$1.4 billion next year." As I recall it, it was some \$360 million to be spent this year. They said, "What we will do is put into effect the nationwide antipoverty bill and we will solve the problem of poverty in America." What we have done here is stick layer upon layer and we have more coming. We have more coming. You are going to have area redevelopment on the floor of this House, I believe within a month, but they cleverly planned it to be on the floor of the House after and not before Appalachia. So that will be another layer in Appalachia as well. You are going to have additional regions brought up, similar to the Appalachian "pork barrel" approach, on the floor of the House. You are going to have this approach for the Ozarks. You are going to have it for the upper Great Lakes. You are going to have it for the northeastern United States. This is documented by the statements of distinguished Members of the other body saying that while they were supporting this bill, even though they do not represent the region it is to aid, they were supporting it because they were expecting a region to be set up in their area.

Now, this bill will cost, according to the record, an estimated \$4 billion before it is all over with in Appalachia alone. It is estimated that it will cost between \$10 and \$12 billion to do the same job in the other regions, and the best authorities admit and indicate that it is not going to solve the unemployment problem. It will cost close to \$10 billion, and in support of that figure I cite the testimony of Mr. Charles A. Robinson, Jr., staff engineer and staff counsel, National RECA, on page 217 of the testimony.

This is what you are getting into. This is what is forthcoming. This is the first in a series of bills that are going to set up regions and set up supergovernments and are going to give the Federal Commissioner a cochairmanship in those supergovernments. This bill is going to give that cochairman, the Federal representative, an absolute veto power over every program and over every project provided for in this legislation. That is what is coming in the series of bills to follow.

Now let us examine what is in the bill specifically. I started out to mention access highways as an example of the pork barrel, boondoggling effect that is going to result from this legislation. This is admitted in the record. They would not admit that with respect to the accelerated public works or the area redevelopment. They kept denying it, although that is the application that it had. They admitted in the record of these hearings that these access roads can be and are expected to be built to private enterprise facilities, including swimming pools, golf courses, ski slides and including beach areas and privately owned motels and anything, in fact, that in the imagination of the Commission or the Federal Commissioner will result in the development of the area.

The other body did a good job on this so far as the proponents are concerned.

The other body made a very clever amendment to the legislation so that in its present wording—and this is admitted in the record, too—these access highways do not even have to be built to minimum standards; they may build the lowest class highways if they want to. These highways would not have to be maintained; this 1,000 miles of access highways would not have to have any State or local maintenance. This is the first time in the history of highway legislation that you have Federal-aid funds involved and do not even have to build the roads to standards and do not have to maintain them. And then they may be built to private enterprise facilities, including swimming pools, ski slides, golf courses, and so forth. It says so in the bill.

If you will look at page 13 of S. 3, lines 15 to 19, it says:

There are authorized to be constructed not in excess of 1,000 miles of local access roads, that will serve specific recreational, residential, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

It is wide open—unquestioned; that is the intent, that is the purpose. And I say to you that if this provision is written into this bill—and we intend to try to strike it out, it is not in the substitute bill—if this provision alone is written into this legislation it is going to make the pork-barreling, favoritism aspects of APW and ARA look like peanuts, because it is a wide-open invitation.

A lot has been said with regard to preferential treatment. It is our position, and rightly so, and no one can deny it—it has even been admitted by the man who probably will wind up as the Federal commissioner, Mr. Sweeney, as shown at page 42, that this is intended to be and is in fact a discriminatory approach, a favoritism approach. Mr. Jones asked the question, and Mr. Sweeney said:

Yes, sir. I think we ought to speak frankly. The name of the Appalachian game is preferential treatment.

Let me repeat that; this is the Federal witness, the proponent speaking in behalf of this legislation.

The name of the Appalachian game is preferential treatment.

That is precisely what we are saying, that there is no justification for discriminating against the rest of the Nation, for setting up one region to the exclusion of the other parts of the Nation that are equally poverty stricken. This map was exhibited yesterday, and it shows that there are other poverty stricken areas, some of which are even more poverty stricken than those in Appalachia. Every green and every gold area on the map is a so-called depressed area under either Area Redevelopment or under Accelerated Public Works Acts. And yet this bill deals solely on a single regional basis, sets up a supergovernment structure solely in that portion of the 11-State area known as Appalachia. What happens to the rest of the Nation? What happens to eastern Texas, for instance, which has considerable unemployment? What happens to the great State of Oklahoma, I would like to ask the majority leader, if he were here? What happens to the

great State of Oklahoma that has numerous depressed areas? What happens to the State of Mississippi? What happens to the rest of the State of Alabama? Or the State of Louisiana, I would like to ask the majority whip, if he were here? What happens to those States that are excluded?

Our substitute recognizes that this is a totally discriminatory approach.

Our substitute makes available sound programs, properly conceived, properly drafted, solely for the purpose of seeking the development of the area, and eliminates the pork barrel aspects of the Appalachian bill, some of which I have described.

Mr. Chairman, what is more fair? What is the best approach? Are we going to set section against section and region against region in America? Are we going to tax all of America and make the benefits available to this one region, solely to this one region of the country, exclusive of the other areas of the country?

Mr. Chairman, when this Nation was founded it was founded under the credo of one nation indivisible with liberty and justice for all. Are we going to now change that credo to one nation indivisible but with liberty and justice and the antipoverty program for only this section of the country?

Mr. Chairman, the distinguished gentleman from Texas, for whom I have the highest regard, made the statement that this effort is to stretch out the hand of help. This is the hand that is stretched out to Appalachia and this is the hand that is stretched out, palm up, to the rest of America.

Mr. Chairman, if we pass this bill we are going to give a helping hand but everybody is going to have to pay the bill, even though one comes from an area that is more depressed than this one. You are going to say that we are going to take from you with this hand, palm up, to help a few. That is the approach.

The gentleman from Texas also said that we will lift this area up by its bootstraps. What are they going to do to the rest of America? They are going to kick the rest of America with the toe end of the boot. That is what they are going to do. It is wrong.

Mr. Chairman, the argument has been made with respect to discrimination, in opposition to that point of view which I hold, that this is similar to TVA. This is the gimmick that has come into it. However, I have long viewed this as an effort to actually set up another TVA area.

Mr. Chairman, they say we have other regional projects of reclamation and other programs. But the answer to that is so obvious that I am amazed it is being offered as a good argument. The answer to it is that these programs, be they rivers, harbors or reclamation and what have you, are available to the whole Nation, not just areas in one portion of the Nation, and the State or local community must meet certain criteria and certain cost-benefit ratio repayment.

Mr. Chairman, as a matter of fact there is presently a reclamation project in the State of Florida, the central and southern flood control projects, and proj-



ects at other places located throughout the Nation which can equally qualify if in fact they meet the basic standards.

Mr. Chairman, one cannot argue against the fact that this intentionally sets up a super-Government approach on a broad basis. It cuts across hospitals, it cuts across agriculture, and other things, and I cannot understand why some of the members of the committees whose jurisdiction over these matters are involved have not been heard with respect to this. Many programs of this type have been turned down time and time again by these committees. I would mention in this connection the committee that turned down the proposal contained in the mental retardation program with reference to 100 percent Federal participation in the operation of those hospital facilities. The committee having jurisdiction over that subject matter said no, we will not do this.

Mr. Chairman, the committee having jurisdiction over it said, "No, we will not do this because this would be closely approximating socialized medicine; this brings the Federal Government into 100 percent participation in the payment of doctors' bills, nursing fees and what have you in the operation of these facilities." Yet, lo and behold, the Public Works Committee of the House, having no expertise whatsoever on the subject matter, having no real knowledge as to the background of these programs, is asking the Congress to provide for 100 percent of the cost of the operation of these facilities over the first 2-year period, and 50 percent of the cost of the operation thereafter, with absolutely no strings of any kind attached, except Federal control.

Mr. Chairman, if one looks on page 16 one will see exactly what I am talking about with reference to demonstration health facilities.

Here we are—hospitals, regional health diagnostic treatment centers, and other facilities necessary to health.

Section (c) provides \$28 million for operation of these facilities. I just hope the House knows what a bucket of worms we are getting here, and what kind of program we are getting into, setting a precedent for future legislation. I will read:

Grants under this section for operation (including equipment other than initial equipment) of a project may be made up to 100 per centum of the costs thereof for the two-year period beginning on the first day such project is in operation as a health facility. For the next three years of operations such grants shall not exceed 50 per centum of such costs.

It does not require that the area receiving aid needs that kind of money. Why, these demonstration health facilities can be built in Huntsville, Ala., where, out of the billion-dollar outer space contracts awarded in the year 1963, some \$200 million was awarded in Huntsville, one of the most prosperous areas in the United States. Huntsville could have one of these demonstration facilities, with the Federal Government picking up 100 percent of the cost of operation over a 2-year period and 50 percent after 2 years, this in spite of the fact that a legislative committee

having jurisdiction of this matter has at no time approved such legislation, and has, in fact, turned it down summarily. That is another example of what is wrong with the bill we have before us today.

Incidentally, our substitute eliminates the aspect relating to operational costs of health facilities.

How has this Appalachian region been set up? Why is it since the bill was before us last year, when we were told at that time "this is a perfect bill, this will do the job, we are not going to have any changes," the reins are tightened up this year, even though there were four major amendments in the Senate and numerous amendments in the Senate committee, why is it we were not allowed to cross a "t" or dot an "i" in our committee? We were not able to make a single change. We were not able to provide that these roads be built to certain standards or be maintained by the local communities. No changes whatsoever. The Senate added a number of counties to the bill after the Appalachian Commission reported. Was not the Appalachian Commission report the basis for drawing the lines for an area? Oh, no. Additional counties were added by the other body, but not a single county was permitted to be added in the House deliberations.

This Appalachian region was set up on the basis of a \$3,000 a year criteria as representing poverty. You know, it is interesting to me after they have spent in the last 5 years about \$12 billion—and I put some of the programs in the RECORD yesterday, you can see them there listed—some \$12 billion have been put into unemployment projects and other things of that kind. Of course, when the candidates were running for office those candidates said they knew all the answers to the problem, they were going to spend \$12 billion of Federal money. They come before you and say we have now in America some 20 percent of American citizens earning less than \$3,000, and are in poverty. We have now 37 million in poverty when we were told 5 years ago by President Kennedy that we had 17 million people who went to bed hungry at night, then after having spent \$12 billion here we are with \$1.1 billion being asked for one section under a program which will cost eventually \$4 billion, and if other regions are added we will have \$10 billion spent. This is not the answer to the problem.

Referring to the \$3,000 income standard, let us examine that for a minute. There are 76 counties in this proposed Appalachian area that have no poverty. They are not depressed areas, they are not under ARA, they were not under APW. If you will examine the minority views you will see examples in State after State where the poverty is not so great in Appalachia as it is in some of the other States throughout this Nation of ours. You will find the Governors of some of these Appalachian States testifying to the effect their State does not have a real serious poverty problem.

Take, for instance, the Governor of the State of Virginia. On page 38 of the minority views, his testimony before the committee is quoted:

There is little that this bill envisions that is not already being undertaken by existing agencies of the Commonwealth of Virginia.

He said that of the 21 counties included, he does not know why they were included in Appalachia, except that somewhere 2 or 3 years ago some individual simply drew a line on the map at the foot of the mountains. This, from the Governor of the great State of Virginia. The Governor of Tennessee emphasized in his testimony last year that not only were not all of the places in Appalachia in a depressed condition, but on the contrary some of the State's most prosperous industrialized complexes were included, such as the Kingsport-Johnson City-Bristol area, the Morristown-Greenville area, and the Knoxville-Alcoa-Oak Ridge areas, to mention several. This is the Governor of Tennessee testifying on this situation.

Interestingly enough, no Governor, no representative of the States outside of Appalachia were even invited to testify, and no highway department outside of Appalachia, and this despite the fact that for the first time in the history of highway legislation where a major system is involved we are legislating on a regional basis to the exclusion of the rest of America. You are being called on to build highways in this region but in no other. I say this is a dangerous precedent.

What about the \$3,000 as being the test for poverty in Appalachia? In the summation of benefits under social security I ask this question, that if \$3,000 is the test for poverty, then is not the U.S. Government itself guilty of impoverishing millions of Americans in this country today, those who receive social security, for instance? What is their average income? Their average income, according to the official documentation, of a worker, aged wife, with one or more children, was \$1,891, so every one of them would be termed impoverished. A worker with a young wife and one or more children should be considered impoverished since he gets \$1,785 a year.

What does a lieutenant in the armed services get? A lieutenant in the armed services gets less than \$3,000 a year, yet that is the test we use. A second lieutenant's pay is \$241.20 a month, or \$105.60 below the \$3,000 poverty level described in this legislation. That shows the total incredibility of the tests used to try to document that this is such a heavily impoverished area.

Further, with regard to the question of the highway program, which is three-quarters of this bill, 76 percent of this bill is building highways, and I want you to listen to this, this is what they are doing by their own admission, from the testimony before our committee. This is their program to help unemployment in Appalachia. Eighty percent of the highways to be built are not new highways in new locations, they are improvements on existing highways, highways built already, not, as it states in the bill, to open up areas for development. Eighty percent are going to be improvements on existing highways. So where you have a two-way highway you are going to make a four-way highway out of it. Does that sound like the best invest-



ment of the taxpayers' money to help poverty in this area? I say no.

Let me give you a summary of the statement of the Bureau of Public Roads on this question.

They said:

It is assumed the construction of the mileage under the development system on access roads will be along existing routes of travel and will be an addition to the current ABC Federal-aid program so far as money is concerned.

You will note it says "existing routes of travel". Let us see what that means relating to a specific State.

The other evening I took the State of Pennsylvania. We do not have any maps before our committees as to where they are going to build these highways so I took the State of Pennsylvania as an example, and I put on that map the present interstate system that is being proposed and under construction. Incidentally, do you know how much the Appalachian States got under the interstate allocation for 1966? The Appalachian States got \$802,700,000 for 1 year alone to build interstate highways in the 11 States containing the Appalachia area. Does anyone believe that this \$840 million more offered by S. 3 is going to do the job for unemployment? Of course not. The \$800 million and all the money that they have gotten and are going to get under the Federal-aid highway program by 1972 is not going to do the job, particularly the way they are going to do it. So our substitute changes that.

Here is what they are doing, as shown on the map of Pennsylvania. This is the Interstate System. The straight lines. The jagged lines on this map which I am holding up for you to see indicate the developmental highways that they are going to build. Look at how Pennsylvania is already crisscrossed with the Interstate System. Over \$800 million a year is being spent in Appalachian States for that alone. The jagged lines indicate where they are going to build development highways.

If you will notice, in every instance you have existing primary highways on these same locations. Now I ask you? How much of this industrial development is this going to accomplish for the great State of Pennsylvania? Our substitute requires these highways to be built on locations that will improve industrial development and not duplicate present existing highways. This is what is wrong with this legislation. As a matter of fact, it appears to me that what they did was that Appalachia said they wanted whatever program each Federal Department can dream up that might make a contribution to the Appalachia problem. That is exactly what they did. And, oh boy, you talk about a dilly. You ought to look at that agricultural program. I wish, and I would hope, that some of those who are authorities on agriculture will take a look at that one. It really is a dilly. Here again we are dealing with a subject that our committee knows little or nothing about. Last year as a matter of fact, they admitted that the section was so bad that the result of it would be that you would increase the acreage available for graz-

ing purposes very substantially and, therefore, they agreed to strike the section out. Lo and behold, it comes in this year and it is going to have about the same effect and they insist upon keeping it in. They are going to give Federal funds to anyone who has a farm to subsidize him to improve 50 acres of that farm. One of the improving practices that they can use is the planting of grass and other crops which can be used for grazing purposes, and we are right back where we started before. That money can be made available not just to those people who earn less than \$3,000. It can be made available to millionaires—to suitcase farmers who go out into an area and have an investment in a farm. They do not live on it—it is an investment. It is an investment where they hide their tax money that they do not pay to Uncle Sam. They put in on a farm and anybody can get \$2,500 out of this program just as any farmer who actually works and lives on the farm.

I wish the time permitted me to examine in similar depth many other sections in this bill. At a later time I will have an opportunity to discuss in greater detail the substitute and how we have made corrections relating to criticism which I have leveled at the proposal relating to the bill, S. 3.

But I would hope that you would take a look at the minority views. They are synopsised on page 33. They are documented there, after a full discussion, and the substitute starts on page 59 and it overcomes most of the shortcomings which I have just discussed.

Before too long we shall have an opportunity to discuss the substitute itself.

I trust that this legislation will be defeated. As I say, it is about the worst piece of legislation I can remember coming before this House in some time.

Anyone who knows the area and its problems, including the gentleman from Louisville, Ky., Mr. Caudill, knows full well this is not the answer to the problems of unemployment, even in Appalachia.

Mr. JONES of Alabama. Mr. Chairman, I yield 7 minutes to the chairman of our committee, the gentleman from Maryland [Mr. FALLON].

Mr. FALLON. Mr. Chairman and members of the committee, I have been asked by a number of Members who represent the States in the great Northwest which have been hit by the enormous floods during the Christmas week, "does the fact that we are going into a new program to help raise the economic benefits of a region means we are going to forget about these people who suffered so severely in the flood damage of Christmas week?"

Mr. Chairman, I am today announcing that hearings are to be held next week starting on Tuesday, March 9, 1965, by the Subcommittee on Flood Control of the Committee on Public Works under the chairmanship of the Honorable ROBERT E. JONES, of Alabama, on the severe floods which occurred in the Northwestern United States during Christmas week of 1964. As many of the Members know, I appointed a special subcommittee

headed by Congressman JONES to inspect this area during the week of January 10, 1965. This action was in accordance with the desires of the President and the Speaker as well as my own wishes as chairman of the Committee on Public Works.

These floods were some of the most disastrous that have ever occurred in the United States particularly with respect to the magnitude and destructive nature of the flood flows. The subcommittee found that millions of dollars of damage had been caused and entire communities disrupted for long periods of time. In fact, there is one area in the basin of the Eel River in northern California which will have an unemployment problem for as many as 4,000 people for periods of up to 6 months.

In the State of California preliminary estimates of damages which are believed incomplete approximate \$300 million. An additional \$256 million damages are estimated to have occurred in Oregon, and another \$87 million in the States of Washington and Idaho. Damages to farm and forest areas, included in these totals, approximate \$100 million, and highway damages in Oregon and California alone exceeded \$135 million. In the Eel River Basin damages were especially catastrophic. Herds of valuable dairy stock were lost, towns, roads, and bridges were destroyed, and an estimated 100 miles of Northwestern Pacific Railroad tracks were washed out or severely damaged. In the Sacramento River, San Joaquin and Lahontan Basins approximately 425,000 acres of land were flooded and total damages are estimated in these areas to be about \$31 million. Completed works, and projects under construction, of the Corps of Engineers, and the Bureau of Reclamation and the State, in the Sacramento Basin are estimated to have prevented about \$246 million of damages that would have otherwise occurred.

In Oregon, floods exceeded the intensity of those which had not been exceeded previously since 1861. Estimated actual damages are believed to have approximated \$184 million in the basins of the Willamette, Columbia, Rogue, Umpqua, Coquille, and other smaller basins. Existing projects, including approximately two-thirds of the projects authorized for the Willamette Basin which had been completed, are estimated to have prevented about \$570 million of damages in the Willamette, and \$50 million worth of damages on the Columbia. Authorized projects not yet completed or undertaken could have prevented an additional \$34 million worth of damages.

It is interesting to note that damages prevented in the Willamette Basin in this one flood greatly exceed the total investment to date in flood control and multiple purpose projects in that basin. Most of the damage occurred where there is only partial or no flood protection. Studies now underway by the Corps of Engineers and the Bureau of Reclamation are considering a number of multiple-purpose projects which will have further effect on flood control in the damaged areas.

However, we cannot wait until these studies are complete. Immediate con-



sideration is necessary. This disaster has been so overwhelming and the immediate need for assistance so great that I feel it is essential to give this matter the highest priority and for that reason the hearings are being scheduled at this time.

Mr. JONES of Alabama. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. MORGAN].

(Mr. MORGAN asked and was given permission to revise and extend his remarks.)

Mr. MORGAN. Mr. Chairman, a massive broadside attack on poverty and distress in Appalachia is long overdue.

In transmitting his bill on Appalachia to the Congress on April 28, 1964, President Johnson called for "an active beginning to end an old problem in Appalachia."

About 3 months later, on July 20, 1964, a "clean" bill, H.R. 11946, to be known as the Appalachian Development Act of 1964, was introduced into the House of Representatives by Congressman Davis of Tennessee, to provide an effective, far-reaching approach toward overcoming the economic stagnation in Appalachia. Congress adjourned, however, without taking action on the bill.

As a Representative in the Congress of the United States from a distressed district included in the Appalachian region, I would like to speak briefly in strong support of this legislation.

Appalachia is a region apart, an area which, in the words of President Johnson, "The general economic progress of the Nation has passed by." This mountainous region includes all of West Virginia, and parts of Alabama, Georgia, Kentucky, Maryland, North Carolina, Ohio, my own State of Pennsylvania, Tennessee, and Virginia.

During this post-World War II era of general prosperity in the United States as a whole, Appalachia, with its 15.3 million people, has suffered economic want and deprivation.

In this troubled area, Federal expenditures for welfare aggregate almost \$500 million a year.

The major problems confronting Appalachia, according to the President's Appalachian Regional Commission, are "low income, high unemployment, lack of urbanization, low educational achievement, and a comparatively low standard of living."

First of all, throughout Appalachia about 1 in 3 families has an annual income of \$3,000 or less. For the rest of the country the figure is 1 in 5. A family income of \$3,000 is used as the dividing line between poverty and some degree of comfort by the President's Council of Economic Advisers, with full recognition of the limitations involved.

In Appalachia, only 8.7 percent of all families have incomes of \$10,000 a year or more, compared with 15.6 elsewhere in the Nation. The median family income in metropolitan areas in Appalachia during 1960, the latest year for which such data have been computed, was \$5,287, or 16.4 percent below the

median of \$6,324 for comparable areas in the rest of the United States.

Likewise, the median rural farm income in Appalachia was \$2,624 in 1960, or \$450 under the like figure for the balance of our country.

Second, unemployment plagues this region. In 1962, the latest year for which such regional figures are available, about 500,000 workers were without jobs. This army of unemployed represented about 8.8 percent of Appalachia's work force. But during the same year, the national average rate of unemployment was 5.6 percent.

Furthermore, the Appalachian portion of Georgia, Kentucky, Ohio, Virginia, West Virginia, and my State of Pennsylvania had unemployment rates in 1962 which exceeded the national rate by more than 50 percent.

However, unemployment in those parts of this 10-State region which are not within Appalachia—all of West Virginia lies within Appalachia—averaged only 4.7 percent in 1962.

Low income and the desperate lack of jobs have caused a steady outmigration of workers, in hope of finding employment elsewhere. During the decade 1950-60, the Appalachian region experienced an outmigration of an estimated 2 million persons.

Furthermore, the most productive age group—18 to 64 years—in the rest of the United States expanded by 8.6 percent during the 10 years, 1950-60, but in Appalachia this age group actually declined by 5.1 percent.

Chronic unemployment besets the Appalachian region because of declining industries on the one hand and automation on the other.

Appalachia is our Nation's leading coal-producing region. All our anthracite coal and two-thirds of our bituminous coal are supplied by this area. However, competition from other fuels has eaten into the market for coal. Furthermore, coal mining is extensively automated. Therefore, employment in the Appalachian coal mines dropped from more than 462,000 in 1950 to 191,000 in 1960. This was a decline of almost 60 percent.

Most of the hard-core unemployment in my own congressional district of Pennsylvania, which comprises Washington, Greene, and Fayette Counties, is due to automation of coal mining, and to the closing down of worked-out mines, as well.

Employment on the railroads has similarly been reduced by mechanization and competition from other means of transportation.

And with greater use of machinery on farms, agricultural employment has also declined sharply.

Third, the predominance of rural, non-farm areas in Appalachia is a major factor in the economic stagnation of this extensive area.

Rural in Appalachia does not mean a checkerboard of rich farms; instead, dense but narrow ribbons of bleak habitation wind along the valley roads and up the tributary hollows, threatening among the wooded hills.

This is the true description of these rural localities used in the report of the President's Appalachian Regional Commission.

This type of land is too barren to support prosperous farming. Currently, about half the farms in Appalachia gross less than \$2,000 a year.

Most of the inhabitants work in coal mines, or on railroads; or have no work at all.

Fourth, educational deficits have impeded progress in Appalachia. For example, "for every 100 persons over 25 years of age elsewhere in the United States, 8 have failed to finish 5 years of school. In Appalachia, that figure rises to more than 11. Although the level of educational attainment in the Appalachian portion of three States is above the national average, in the remainder of these States the percentage of persons failing to finish 5 years of school ranges from 11 percent to 22 percent. It is estimated that 1½ million of Appalachia's inhabitants are functionally illiterate.

Thirty-two out of every 100 Appalachians over 25 have finished high school, contrasted to almost 42 persons of similar age elsewhere. No section of Appalachia reaches the national norm for the rest of the United States and one State dips to 58 percent below that norm.

"Appalachia also suffers from a shortage of college graduates. In the rest of the United States, eight of every 100 persons over 25 years of age have completed at least 4 years of college. In Appalachia that figure drops to five," so reports the President's Appalachian Commission.

And finally, standards of living in Appalachia are woefully inadequate as a result of low incomes and joblessness. The condition of housing in Appalachia is generally wretched. In 1960, according to the census of housing, 26.6 percent of the homes in Appalachia needed major repairs and 7.5 percent were in such dilapidated condition that they endangered the health and safety of their inhabitants. The comparable percentages for the rest of the United States were 18.1 and 4.7 percent, respectively. The situation was more aggravated in rural areas. Here almost one out of four homes had basic deficiencies that required correction to provide adequate housing; 1 out of 10 was dilapidated. More than half of the farm homes lacked adequate plumbing.

Standards of health and nutrition are also low. Severe personal health problems in Appalachia include nutritional deficiencies, dental diseases, chronic diseases, infant deaths, and communicable diseases.

To give a final indication of deficiencies in standards of living, in Appalachia, 5.9 percent of the population receive some form of Federal assistance, against 4.1 percent for the rest of the Nation.

These conditions of misery throughout Appalachia demonstrate the crying need for comprehensive regional action to cope with such widespread economic blight.



S. 3, the Appalachian Regional Development Act of 1965, would "provide public works and economic development programs—needed to assist in the development of the Appalachian region."

Briefly, this proposed measure would establish a joint Federal-State commission to plan and coordinate the "various undertakings involved in improvement of the region." Suggested new programs include, first, the Appalachian Development Highway System which provides for the development of 2,850 miles of highway, and, second, the construction of demonstration health facilities.

Third, the act would provide for pasture improvement and development in order to promote the conservation and fuller utilization of the region's important land and water resources.

Fourth, the establishment of timber development organizations would also be encouraged for the purpose of improving timber productivity and quality and to increase the return to landowners.

Fifth, the act would provide for mining area restoration in Appalachia to seal and fill voids in abandoned coal mines, plan and execute projects for extinguishing underground and outcrop mine fires; and also to expand an accelerate fish and wildlife restoration projects.

And, sixth, the Secretary of the Army would be authorized to prepare a comprehensive plan for the development and efficient utilization of the water and related resources of the Appalachian region.

In addition, certain supplements and modifications of existing programs are provided for by the bill. For example, grants to the States in the Appalachian region for vocational education facilities under the Vocational Education Act of 1963 would be liberalized.

Likewise, grants for sewage treatment works to Appalachian States under the Federal Water Pollution Control Act would be liberalized.

And the Housing Act of 1954 would be amended to make the Appalachian Regional Commission eligible to receive comprehensive planning grants under this act.

Mr. Chairman, as a representative in the Congress of the United States from the 26th Congressional District of Pennsylvania, a depressed area, I have observed the ravages of economic distress at first hand. It is my firm conviction that this suggested legislation, providing as it does for long-term economic growth, would be of great assistance not only to my own congressional district, but also to the entire Appalachian region and ultimately to the whole United States.

I, therefore, urge the Congress to take immediate affirmative action on this carefully thought out proposal for directing this 10-State region up the road of economic rehabilitation and long-term growth, as contained Senate bill 3.

Mr. JONES of Alabama. Mr. Chairman, I yield such time as he may require to the gentleman from West Virginia [Mr. SLACK].

(Mr. SLACK asked and was given permission to revise and extend his remarks.)

Mr. SLACK. Mr. Chairman, the business before the House, the Appalachian Regional Development Act of 1965, is the product of more than 10 years of consideration and research by a great many persons and organizations. It has been scrutinized in great detail during extensive hearings both this year and last year, in both bodies of Congress.

Almost everything that can be said about the proposal, pro and con, has been said, and nothing would be gained by repetition of established argumental theses. At this point in the deliberations, however, we must not lose sight of one central fact: notwithstanding our record of strong, continuous national economic growth since the end of World War II, the States of the Appalachian region have not properly shared in that growth.

During those years we have had recessions, and we have bounced back, but the Appalachian States have felt each recession more severely than their neighbors, and have bounced back more slowly. In consequence these States, by and large, have not been positioned to bear their full share of responsibility for the fulfillment of our national objectives.

Congress has recognized the reality and scope of the problem. We have authorized previous programs to deal with portions of it. We have appropriated funds, and to some degree we have secured a betterment of conditions.

The Accelerated Public Works Act was a tool designed to reshape the communities in Appalachia and elsewhere by encouraging community betterment programs and by stimulating job opportunity through immediate application of construction funds.

The economic opportunity or antipoverty program is a long-range effort to upgrade the capacity of individuals, principally those who have never broken out of the poverty cycle from generation to generation. It is an educational effort of a specialized kind. We expect to secure a return on our investment in this program through the better developed capacities of these people to fill their roles as citizens.

The Appalachian proposal is not a duplicate of either effort. It is a proposal with a 6-year lifespan, requiring State and local participation, and aimed at improvement of certain fundamental conditions which chronically inhibit economic growth and recovery in this region, as we have learned from the historical record.

Without proper access to materials and markets there can be no development, and consequently some 80 percent of the money is to be spent on roads. Most of the balance will go to correct negative conditions which have come as a by-product of uncontrolled land and minerals exploitation. It is an investment in fundamental needs, justified by the conviction that planned improvement will do away with the need for antipoverty programs in the next generation.

Mr. JONES of Alabama. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. DYAL].

(Mr. DYAL asked and was given permission to revise and extend his remarks.)

Mr. DYAL. Mr. Chairman, I am grateful for the factual remarks of the distinguished chairman of the Public Works Committee, the member from Maryland [Mr. FALLON], concerning our flood damage problems in the great State of California. It is especially pleasing to me as I intend to address my remarks to section 206 of the bill now before us for consideration.

The protection and preservation of the Nation's water resources is of concern to all Americans—we who live in a semi-arid area may be envious of the annual rainfall records of Appalachia but we also know that without long range planning abundant water can come to an end as use increases. Water is so valuable we cannot afford to mismanage or waste this great resource.

Appalachia is going to grow and prosper under this bill, S. 3. As it does, the preservation of its water becomes mandatory. Under section 206 there has been established a comprehensive water resource survey for the entire region. The Secretary of the Army under this bill will coordinate the studies and will be assisted by all interested agencies and will coordinate all previous legislation under the program.

Appalachia has a priceless asset in its annual rainfall. With top-level management and control, water will provide the essential base for recreational, industrial, residential, and commercial development. The section has certain obvious priorities, for the rest of this regional development program would be hindered without planning against flooding, pollution, and sewage problems.

This great annual rainfall is not kept in channels and behind dams in much of its area. Appalachia's geography demands that man create impounded areas to preserve its water. Impounded water is controlled water, an economic blessing in all areas whether for industrial, commercial or recreational use.

In California we understand the disaster that comes with shortages of water when burgeoning population and industries come faster than new sources of water. Appalachia will grow and develop; water organizations and development must keep pace.

We in California have understood the problems of water for many generations. My own ancestors were among those early pioneers who brought irrigation to the Southwest over 100 years ago. Movement of water to areas of need is vital. Witness the transportation of water in the Holy Land from Lake Huleh to the Negev which I have visited. The great Feather River project of my State and now, under this bill we need to know the future of the Delaware, the Ohio, Susquehanna, and Potomac Basins. This section will accomplish planning needs for the coming generations.

We had those without vision in our State who were afraid of the regional



concept. But those with wisdom knew the benefits and the State of California approved the California water plan to the benefit of all. There were those who wished to stop the program—18 million Californians are grateful today we did not stop.

Had we started eliminations by amending areas the great benefits now accruing would have been denied.

When I was about 7 years of age my father took me to the Imperial Desert—a desolate area which became green and fruitful with the aid of Federal funds. There is now shipped from this area a billion dollars of produce in the markets of the world each year.

Mr. Chairman, please note there is no contemplation of either a new Federal agency or Government corporation in carrying out the provisions of section 206. It provides for planning—for coordinated programs for construction and utilization to use past Federal and local programs in an overall concept to bring benefits, not only to Appalachia but to all of the United States. The prosperity of this area will benefit mine.

As the plans are developed, the Congress and the President will review the findings. Each specific recommendation will require its specific authorization. There is no blanket authorization under this section. It is a good bill; a bill with vision—I urge the passage of the bill.

Mr. CRAMER. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. ROBISON].

Mr. ROBISON. Mr. Chairman, I should like to preface my remarks by noting that it was my privilege, during my past 7 years in Congress, to have served on the Committee on Public Works, and to have worked closely with the gentleman from Maryland [Mr. FALLON], who is now the chairman thereof. I should like to pay my respects to my good friend, GEORGE FALLON, to wish him well in his new duties, and to say that I know he will carry out those duties in an admirable fashion.

At the same time, I cannot resist saying that I regret that this proposal (S. 3) is the first major bill reported out of committee by the gentleman from Maryland [Mr. FALLON] in this session, because I think it is both unwise and unsound—in its present form—and I find myself unable to support it.

I shall leave the broader specifics of the criticism I have for this bill in the capable hands of those now serving on my old committee who share my views and who have so well carried the burden of presenting them to you.

I do this, in order to concentrate my remarks on the amendment that was added to the so-called Appalachian Regional Development Act of 1965 in the other body, which amendment would have the effect of including certain New York State counties in the program “on an appropriate basis”—whatever that may mean—if certain findings are made by the proposed regional Commission and not vetoed by the Federal representative.

Those New York counties were not specifically named except, for purposes of “legislative history,” during the brief

debate on the amendment in the other body. On that basis, however, we find that they are 13 in number and that, by coincidence, the 4 New York counties that I have the honor to represent—Broome, Tioga, Chemung and Tompkins—are all included.

Naturally enough, I know these counties well—and I know the people who live therein because I am one of them, born and raised.

I am sure that to most of those people—as to me—it came as something of a shock to discover, almost overnight in this fashion, that we were a “depressed” area, for these counties—this region of New York—must be considered as being as prosperous as the average of their sister counties across the Nation.

This does not mean, Mr. Chairman, that we do not have unemployment. We do, indeed. Nor, does it mean that we are without poverty. We have impoverished families—and, as elsewhere, even one would be too many.

Nor does it mean, Mr. Chairman, that we do not have villages and cities and rural areas that “progress” has passed by for the time being—we have those, too.

Nor does it mean, Mr. Chairman, that we do not have needs—and real needs—for better highways, and schools and hospitals, or need for help in revitalizing our cities, in developing our water resources and in building badly needed sewage treatment works and the like.

We do have all these needs, Mr. Chairman, and many more—but, until this measure was so amended in the other body, I doubt if there were any of my constituents who viewed those needs as being so urgent, comparatively speaking, that we felt we should be moved, in this fashion, to the head of the line of those of our sister communities waiting for help to meet such needs under the various, existing and ongoing Federal-aid programs designed to promote their solution in an orderly and equitable manner.

In any event, since the adoption of this amendment in the other body, I have awaited with interest the reaction of my constituents. The people of these four counties—of this region—are a proud and self-reliant people. They have never quite gotten over the old-fashioned idea of helping themselves and helping each other—nor have they ever quite accepted the notion that all progress comes from Washington. It has come to me as no surprise, therefore, that I have had, to date, only one constituent who has written to me suggesting I vote for this measure because we might get some help from it. On the other hand, I have had a goodly number of letters from other constituents who have written complaining about the action taken in the other body, and who have stated they that feel most strongly that our area should not be considered for assistance under this program.

And, Mr. Chairman, just the other day, the Board of Supervisors of Tompkins County—one of the counties included in that 13—passed a resolution asking that their county be removed from this bill; and this again did not surprise me.

I have considered this request, Mr. Chairman, but have decided not to attempt to take action along these lines. Why?

Well, chiefly because it seems to me that the very fact of the tentative inclusion of these 13 counties under this program—inclusion for study purposes only, mind you, since there is surely no money in this bill for them at the present time—points up the major defect in attempting to approach the economic problems of a particular region of the country on this basis.

Of these 13 counties of New York, only 3 have ever been eligible for assistance under the formula of “need” set forth under either the area redevelopment program or the accelerated public works program—and it is my understanding that only one of those counties, Chautauqua, is presently so eligible.

This means that, once again, we are preparing to make the same mistake we did in drafting the area redevelopment program—which has never yet worked as its sponsors promised it would. That mistake is that, for political reasons, we are not taking dead aim at the real areas of distress in what might be called hard-core Appalachia—which is something that I would favor—but that we are again using a “scattergun” approach in an effort to make this bill more palatable until, as you can obviously see, Appalachia is virtually bulging at the seams. And, once this bill is passed—as I am sure it will be—off we will go to bring the same sort of relief to any other number of regions of distress that can be thought of across the whole 50 States.

This is why I cannot vote for this bill in its present form—I think it would be an irresponsible act for me to do otherwise even though there may well be some unforeseen political hazards for me to take such a position.

And this is why I will most certainly support the amendment that I understand is to be offered which will restrict aid under this program, except for highway construction, to those counties that are eligible for assistance under the formula set forth in the accelerated public works program. It is also why I will also support, failing the adoption of that amendment, the Republican substitute which I also understand is to be offered—perhaps as a recommittal motion—and which would apply such broad assistance as is to be provided under this program to all areas of special economic need on a nationwide, rather than a regional, basis, which is the only commonsense approach to such problems.

Before concluding, Mr. Chairman, I might mention the fact that if this Congress—if the Public Works Committee—really wants to help my area of New York; if you really want to help my counties and these other nine New York counties achieve a faster rate of economic growth than we have been, all you need to do is to agree upon some formula under which our State will be reimbursed, either in money or in substitute mileage, for the cost of the New York State Thruway that we built at our own expense but that was subsequently incorporated into the Federal Interstate Highway system.



This fact has, for years, shortchanged my State in the rightful and originally intended share of Federal highway moneys we should be receiving, and has delayed the reconstruction of New York State Route 17, a key highway running east and west through most of those 13 counties we have been considering. Our State has been doing the best it could to rebuild this road, using 50-50 Federal-State moneys when we ought to have the benefit of 90 percent Federal aid for its reconstruction. If you would give us, instead of the questionable benefit of being included in Appalachia, the equitable relief we have long demanded, here, we would be most pleased, and I am quite sure that, thereafter, it would not be necessary to ever even consider us again as being in need of special assistance of the sort provided under what I think is an ill-conceived and unwise measure.

(Mr. DON H. CLAUSEN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. DON H. CLAUSEN. Mr. Chairman, the legislation being considered today is being presented by other members of our Public Works Committee. Therefore, I shall direct my comments to the measure that Mr. CRAMER, Mr. CLEVELAND, and Mr. McEWEN, and I have introduced as a substitute to the so-called Appalachia bill.

In introducing the constructive alternative, we have tried to give the Members of the House a choice that we honestly believe is more in keeping with the proven administrative procedures of our Federal system of Government—procedures in which we utilize the existing agencies to carry out recommended programs rather than create new Federal regional organizations that conceivably could conflict with the best procedure in established Federal-State relations.

I do want to point out, however, that our alternative will permit the promotion of intergovernmental organizations and agreements to attain economical performance, if the units of Government or States involved so desire.

The major difference between the two bills is of course, the fact that our bill makes available assistance to areas throughout the entire country, but we do restrict this aid to counties that are categorized as depressed areas.

The administration has taken a position that no amendment will be supported unless it affects areas in or immediately contiguous to the Appalachian region.

As many of you know, four counties of my congressional district were hit hard during the recent flood in northern California. I have received many wires asking that an amendment be introduced to add our disaster area to the bill to permit assistance to this hard-hit section. In checking with counsel and the Parliamentarian, I have been advised such an amendment would be ruled out of order as not germane to this regional bill.

Therefore, I have no alternative but to support the substitute measure so that my section of the country would be included and therefore eligible.

In drafting the alternative bill, we have worked hard to take the better sections of the Appalachian bill, improve them and eliminate the portions of the bill that we believe are unnecessary.

Personally, I am most appreciative of the committee's consideration of my district's problems. The chairman of this ad hoc committee, Mr. JONES, and many members of the committee took the time to come to my district immediately following the flood to personally see the damage. For this our people shall remain eternally grateful.

While it is highly improbable, in view of the administration's position, that amendments will be added, I nevertheless strongly urge adoption of our substitute bill. This would permit partial assistance to our flood-damaged counties.

Further, our committee is now gathering data and compiling information on the extent of our problems with a view toward offering assistance. I do want to admonish my colleagues now that additional recommendations will be forthcoming. Our plight is categorized as an act of God and somewhat different in that our recovery requirements are necessary due to the extraordinary rainfall and historic flood conditions that can hit any one of us, without warning. I simply mention this now to establish a legislative record and also to serve as a continuing reminder to a sympathetic Congress.

Mr. JONES of Alabama. Mr. Chairman, I yield 8 minutes to the gentleman from Iowa [Mr. SCHMIDHAUSER].

(Mr. SCHMIDHAUSER asked and was given permission to revise and extend his remarks.)

Mr. SCHMIDHAUSER. Mr. Chairman, there are those throughout our history who have sought to scoff at particular regional developments. Certainly we owe much to the great memory of Daniel Webster whose dedication to the principle of national supremacy and whose heroic devotion to the Constitution shall never be forgotten. Yet, even the great Webster in a classic debate over westward expansion proved to be a poor prophet. He once referred to the territories of the Louisiana Purchase and the great Northwest Territory, out of which the great State of Iowa has developed, in narrow regional terms. Here is what he said:

What do we want with this vast, worthless area? What do we want with this region of savages, wild beasts, of shifting sands and whirlwinds of dust, of cactus and prairie dogs? To what use could we ever hope to put these great deserts and those endless mountain ranges, impenetrable and covered to their bases with eternal snow? What can we ever hope to do with the western coast, a coast of 3,000 miles, rockbound, cheerless, and uninviting. And not a harbor on it.

To those of little faith and vision who want us to defeat the Appalachia program, I ask—where would our Nation be today if the Congress had listened to Webster's negative appeal?

Geographic regional frontiers and our expansion westward are no longer subjects of debate in our national life. For all his great worth in other areas of public policy we can soberly reflect what kind of a society we would have today if

the narrow regionalism Webster stressed above had become our national policy. Today instead, as a great nation, we do not hesitate to boldly explore the heavens themselves. Can we shamefully desert our heritage as a strong Christian nation to say that we lack the boldness to attack a great domestic regional problem of human despair and economic stagnation?

The continued existence of poverty which is a part of a deep regional pattern of economic stagnation is the very definition of discrimination. The Appalachia region has approximately 8½ percent of the Nation's population. But the total Federal funds spent in this region last year represented only 5 percent of all dollars spent nationally. Included within that 5-percent total was an expenditure of more than \$400 million for welfare programs.

Shall we continue to discriminate against the people of Appalachia by turning our faces coldly against the massive regional problem of economic stagnation? Shall we also turn our faces coldly against the discrimination against every taxpayer in the United States that is inherent in this situation? This is exactly the choice that we have, because if we fail to recognize the serious nature of this regional problem we are saying, in effect, that every taxpayer in this Nation is bound to continue to contribute to pay into welfare programs which, because of complex regional problems, can only treat the periphery of this basic problem and never truly solve it.

Shall we continue to discriminate against all citizens of our Nation, not just those in Appalachia, by denying to our Nation the economic stimulation and growth that can only come through a massive attack upon this economic disaster area?

When the people of Appalachia can buy more food the agricultural producers and industrial workers in Iowa, the Dakotas, Nebraska, and Illinois, and other Midwestern Plains States will sell more livestock, more feed grains, more soybeans, and all of the other commodities which we produce in such great abundance. When the people of the Appalachian region can increase their purchasing power and become taxpayers instead of tax eaters they will be able to buy food at the same rate as the average American today. This increase in their purchasing power and in their consumption will increase the demand for American food by over \$2 billion—approximately double what this Nation has invested in this program.

Let us address ourselves more specifically to this point and answer the question, how would the various sectors of our Nation's economy benefit from economic stimulation in Appalachia? First of all, the biggest increase would be in the production of livestock and livestock products in Iowa and other areas of the Midwest. Producers in these areas would benefit by the estimated amount of \$230 million. This increase means that my constituents who raise livestock in Cedar, Johnson, Muscatine, and all the other great livestock producing counties in the First District of Iowa would



receive one nickel more for every dollar they previously received. Can those who acclaim this program as discriminatory justifiably inform the livestock producers of this great Nation that they do not deserve this 5-percent increase in receipts?

But what about the other vital industries that will benefit from this program? The transportation and warehousing industries throughout the Nation would realize an additional \$64 million of increased production. Our national wholesale and retail trades would benefit to the extent of an additional \$72 million; and the list could go on and on into all sectors of our economy.

Personally I do not feel that we should be ashamed of undertaking the solution to the problem of Appalachia on the simple Christian ground that we have a moral obligation to intelligently solve this problem. But we can also state without hesitation that the very economic growth and development of our entire Nation demands action. As we seek to fulfill our obligation to our brothers in the Appalachia region, this bill will enable them to better fulfill their obligations to the citizens of all regions in the United States.

When our brothers in the Appalachia region can become taxpayers instead of tax eaters, when they can revive private purchasing power and initiative, they will return many times to the rest of the Nation the contributions that were made to them.

Let us follow the Webster of hope who in days of better spirit said:

Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests and see whether also in our day and generation may not perform something worthy to be remembered.

Mr. CRAMER. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. EDWARDS].

(Mr. EDWARDS of Alabama asked and was given permission to revise and extend his remarks.)

Mr. EDWARDS of Alabama. Mr. Chairman, I join in support of those here today and yesterday who are so effectively pointing out the deficiencies of the proposed Appalachia legislation. I submit that this proposal is motivated by political considerations, is planned with a view to very specialized benefits instead of the public interest, is written carelessly, is defended largely on the basis of emotional appeal rather than reason, and is generally unworkable. I want to commend the minority members of the Public Works Committee for their clear and effective statement citing the problems inherent in the proposal.

We all favor economic development. Nobody wants to see poverty persist in any part of the United States. But appeals to emotion should not be a substitute for effective action. This bill would set aside 360 counties in 11 States for special treatment, ignoring entirely the other 39 States. It is dangerous to put the Government in the business of giving aid to just certain areas. The White House says that it will consider other areas for special treat-

ment later, but if this is so, why do we not consider the total national economy situation at once. Obviously, the answer is that if the public is given the whole package at one time, it may wake up to the fact that the program cannot be justified.

The proposed Appalachia bill establishes artificial and illogical standards which are open to political manipulation, as we have already seen in the proposed addition of 13 New York counties to the region.

Many of the 360 counties to be helped are prosperous and have no need for help, according to the Governors of their own States. The most wealthy county in South Carolina is to be included.

Statistics cited in support of the bill are based on 1960 information, much of which is now obsolete.

The bill would establish 100 percent Federal financing of the operation of health facilities and hospitals. This is a step which we must certainly consider very carefully because it introduces full Government control into the area of health and medicine. This is not a move we can adopt solely on the approval of the Public Works Committee without at least the consideration of other House committees.

This proposal would set up a single Federal authority which would have veto power over all parts of the program. Because the Appalachia area pays no need to State lines, the new Commission's function would erode the kind of State authority and responsibility which is vital to the continued success of our system of government.

Federal domination of the States is unsavory enough even when some attention is given to State boundaries. When we adopt a program giving to a Federal czar a centralized program which ignores State boundaries, we take a giant step along the road to eventual abolition of the integrity of our system of State government.

A large part of the spending in this program would be for road construction and would be superimposed on existing State and Federal high construction plans. This would be a needless and foolish duplication which could lead only to confusion and inefficiency.

It would also provide a so-called land improvement program. But past experience has shown that the Federal Government meets with remarkably little success when it attempts to set up farm programs of this kind. The proposed payments by the Government for reclamation and other purposes would be wasteful and ineffective.

The bill would establish a new program similar to TVA. But more than 25 percent of the Appalachia area is already in the Tennessee Valley Authority area. Its language calling for the generation of hydroelectric power is entirely lacking in specifics and deserves further explanation.

The Appalachia legislation would set up a public works program which not only would overlap activity of the Area Redevelopment Authority, but which is similar to the public works acceleration program which has proven to be a fail-

ure except as a political device for the party in control of the bureaucracy. This section of the bill also is ambiguous, incomplete, and would lead to manipulation which cannot be in the public interest.

The minority members of the Public Works Committee, in their statement, have rightly emphasized that a dramatic proposal, based largely on emotional appeal, cannot be a substitute for well-conceived legislation.

I am opposed to discriminatory, vague, and ambiguous programs of this kind. The Appalachia proposal would simply increase the army of Washington bureaucrats dispensing favors according to their own rules and where it is politically expedient to do so.

Mr. CRAMER. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. MATHIAS].

(Mr. MATHIAS asked and was given permission to revise and extend his remarks.)

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. MATHIAS. I am glad to yield to the gentleman.

Mr. JONES of Alabama. Does the gentleman have a statement that will take longer than the 2 minutes allotted to him?

Mr. MATHIAS. Perhaps, yes sir.

Mr. JONES of Alabama. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. MATHIAS. I thank the gentleman for his kindness.

Mr. Chairman, I have become a co-sponsor of this bill because I feel that many of the programs which are included within it are very badly needed for the good of the entire country, and I want to congratulate my colleague in the Maryland delegation, the dean of our delegation and chairman of the Committee on Public Works, for the deliberate speed with which he has been able to bring this bill to the House this year. I say I feel these programs are very badly needed on the basis of personal experience and personal observation.

I represent a district which includes counties that are within the definition of "Appalachia." In 1961 we were undergoing some very difficult economic experiences. Some parts of my district had unemployment as high as 20 percent. This was not a new experience for us. This was an experience that we have had over a period of time. If one looked at a graph of our economic health it would be seen that there were recurring economic fluctuations in our part of Appalachia. Sometimes particular industries would be prosperous and at other times the whole community would be badly depressed.

At a conference that I assembled in the spring of 1961 we came to the conclusion that there were several pressing needs. That conference, I might say for the benefit of the Members here who may wish to evaluate the recommendations of the conference, was composed of businessmen, representatives of chambers of commerce, representatives of management, representatives of agriculture, representatives of labor, representatives of



local government and of the Federal Government and State government.

We had just about all the people sitting down together who had had experience and who had constructive ideas on the kind of things that needed to be done to even out the economy of Appalachia and to eliminate the economic dips so that the people living in Appalachia would have a reasonable opportunity to establish a decent standard of living. It was determined at the time we had this conference that local initiative was, of course, a prime requisite to lift up the economy of the area. Local initiative has been exercised through the years and particularly through the last 4 or 5 years. But the physical needs, the material needs are beyond the scope of local initiative.

One of the great needs in the area is better roads and highways. We need roads in order to convey economically the substantial natural resources of the area to their markets. Highways can and will open the area to tourism—a real and largely untapped potential in this region of great beauty. Geography dictates, however, that these new roads and highways should be an interstate system, and that is beyond the power of a single State to plan or to build.

Another great need is the appropriate development of water resources—water needed by industry and water needed by people for consumption and for recreation purposes and dams and other structures for flood control and for water storage and protection.

The interstate character of the rivers that flow through Appalachia requires a program that transcends the authority of a single riparian State. In my district, for example, we have several industries which are prepared to expand and to hire more people at the present time if they can be assured of more favorable water resources and more dependable water resources. Without these resources and without the assurance that they will have the water upon which their industry depends, they cannot expand and they cannot provide new jobs and new economic opportunities.

Where highways may benefit one area, water development may benefit other areas.

In my opinion, we must consider the economic differences of region and maintain a flexibility which will enable us to assist communities and counties in the manner in which they most need assistance.

I think this bill provides the appropriate means by which we can lend assistance; the appropriate means by which an impact can be made in this area that will be felt; a means by which the area can realize that extra bit of needed effort that will allow it to thrive to be self-sufficient and to enjoy an economic growth rate commensurate with the rest of the country.

Mr. JONES of Alabama. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. MOELLER].

(Mr. MOELLER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MOELLER. Mr. Chairman, I am proud to rise in support of legislation authorizing the Appalachian Regional Development Act of 1965. I am coauthor of this bill, and can attest to the critical, pressing need for it.

I have lived most of my life in Appalachia. Seven of the eight counties of my present 10th Congressional District lie in Appalachia, as do all three of the new counties—Perry, Morgan, and Washington—that I will acquire through reapportionment. So I know something about the conditions that exist in that region of our great country.

I know that the rate of unemployment in some of my Appalachian counties is holding steady at 8, 9 and even 10 percent. I know that our wage earners, when they are able to find work, often must labor and toil for as little as 70 percent of what their neighbors make in more affluent regions of America. I know that overall health facilities in Appalachia are substandard and inferior. Our highway system is incomplete, inadequate and, in some cases, antiquated. I know that lack of economic development is compelling the Federal Government to spend \$500 million a year, year in and year out, on welfare programs in Appalachia. This heavy expenditure does not get at the root of the problem; in a way, it merely subsidizes it.

But we have heard a lot of talk from the other side of the aisle, from the Republican side, that the Appalachia program is not needed, that it is ill conceived, that it is discriminatory and that it should be defeated. I agree that the Appalachian program is discriminatory—it discriminates against hunger and disease, against unemployment and despair; it discriminates against the crime causes that have combined to make Appalachia the last remaining depressed area in this great land of ours.

More than 15 million people live in Appalachia. It is a region characterized, in part at least, by low incomes and high unemployment, by low educational achievement, and below average standards of living. To be specific:

Appalachia accounts for 35 percent of the unemployment in all the Nation's redevelopment areas, from Florida to Alaska, from Maine to Hawaii.

Incomes in Appalachia are up to 80 percent below the national average.

One in every five of Appalachia's 15 million inhabitants is subsisting on commodity doles or food stamp welfare.

This is not the kind of America I want. It is not the kind of America that you want.

The assertion by some that Congress should do no more for Appalachia than it has done for other, more fortunate regions of America does not impress me. It smacks of Anatole France's satirical statement that the law in its majestic equality forbids the rich, as well as the poor, to sleep under bridges, to beg in the streets, to steal bread for the dinner table. The truth is that no man is an island unto himself, nor is any one region of America isolated and cut off from the other. The entire Nation benefits

and grows stronger when any section of our common country prospers.

Yet, while the Nation as a whole is experiencing the longest and most dramatic economic boom in history, Appalachia is mired in grinding poverty and chilling despair. It alone of the regions of America is being denied the blessings of our more fruitful and abundant society.

If Appalachia's economy merely equaled the national average—and passage of this bill will start it in that direction—if Appalachia's economy equaled the national average, \$12 billion a year could be added to our gross national product through increased retail sales.

If Appalachia's economy equaled the national average—and passage of this measure will start it in that direction—if this happened, \$5.2 billion would be added each year to our country's annual rate of personal income.

If Appalachia's economy matched the national average—and passage of this bill will start it in that direction—another billion dollars worth of new housing starts could be made in America each year.

Most assuredly, what is good for Appalachia is good for the United States.

The objective of this bill is to provide a Federal investment program that will assist Appalachia toward fuller participation in our Nation's robust economic growth. This bill authorizes an appropriation of \$840 million for the Appalachian development highway system—a system that will open up the most remote areas of Appalachia to modern, industrial America.

Appalachia lies just beyond the reaches of the greatest concentration of wealth and population in this Nation. But its lack of adequate transportation facilities has effectively isolated it economically from the broad sweep of industrial growth which has blessed most of our Nation in the years since World War II. We all know that industry does not and cannot go into areas that lack first-rate distribution routes.

As the President's Commission on Appalachia has said:

Its [Appalachia's] penetration by an adequate transportation network is the first requisite of its full participation in industrial America.

I want to emphasize that the Appalachian States are not seeking something for nothing. They are ready and willing to provide \$360 million from their own scarce funds to help finance the highway building program—a program acknowledged to be the "first requisite" for bringing better times to Appalachia and its people.

This legislation would establish the Appalachian Regional Commission, consisting of the Governors of each Appalachian State and one Federal representative. This Commission, made up of the men who best know the problems of Appalachia, would prepare plans and programs needed to revitalize that region of our country. The Commission would guarantee local and State participation in all phases of the program. It would be a politically bipartisan body of both Democratic and Republican Governors.



Another important provision provides Federal assistance in modernizing the health facilities of Appalachia. The low income of Appalachia is reflected in the lack, if not nonexistence, of the kind of health facilities that most Americans take for granted. The committee report lists this finding:

Sound health services can play as much a role in the economic development of a region as any other instrument of development. Without such services, no community or subregion can hope to attract modern industry \* \* \*. In many sections of Appalachia, this problem is particularly acute. The low income in these sections impairs a reasonable support of private medicine and the tax base necessary for even rudimentary public health facilities is nonexistent.

The bill I speak for today provides grants for the development, equipment, and operation of multicounty demonstration health facilities, including hospitals, regional health diagnostic and treatment centers, and other facilities necessary for good health.

Mr. Chairman, the people of Appalachia are a proud and independent people. They are willing to work and work hard. I think most of us recognize that the economic problems of these people cannot be met and solved by them alone. Their plight arises not out of any lack of self-reliance, or out of any lack of individualism on their part. It stems, rather, from the complexities of a changing society; it stems from the underdevelopment of the region in which the live, and from the steady march of progress in industrial America which has made obsolete many of the skills and trades of yesteryear.

Industrial progress is sometimes a two-edged sword. It cuts both ways. While benefiting the many, it can sometimes have disastrous effect on certain segments of our population. The coal-mining industry serves as a specific example of what I am talking about.

For generations, many of the men in Appalachia worked in the coalfields of southern Ohio, Kentucky, West Virginia, Pennsylvania, and Alabama. It was the No. 1 industry.

But automation, changing heating methods, and increased use of diesel fuels served to blight a good part of the coal region. Of the multiple thousands of miners gainfully employed in Appalachia just a few years ago, a staggering number have been forced out of their jobs, and, in many cases, onto the relief rolls. The same fate even now awaits hundreds and thousands of other miners in Appalachia.

Many of these people had toiled in the coal mines since their earliest working days. They had no trade to fall back on. So they unwillingly joined the ranks of the more or less permanently unemployed.

Let it be stressed and emphasized that these people do not want handouts—they ask only for a helping hand; they do not want relief checks—they want only the opportunity to earn regular pay checks.

Mr. Chairman, we of this Congress have the great opportunity to lend a helping hand in time of dire emergency to the people of Appalachia. They de-

serve far better than they have been getting. The bill that we debate here today will bring new hope to my people. It will complement the other farsighted and far-reaching economic programs which Congress, in its wisdom, has authorized for the good of the Nation.

Let us pass the Appalachian program; let us get on with the business of making America truly the land of hope and opportunity for all.

Mr. JONES of Alabama. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. GRAY].

(Mr. GRAY asked and was given permission to revise and extend his remarks.)

Mr. GRAY. Mr. Chairman, I rise today in support of this very important piece of legislation. First, I wish to point out that not one penny will accrue to the State of Illinois should the bill be enacted into law. Further, I point out that it has been my privilege for 11 years to represent a district which has had a lot of unemployment. I know what it means to see people out of work.

This is not a complicated bill at all, my colleagues. This bill is quite simple, and I should like to boil it down to four basic points, if I may, in the few minutes I have.

I am supporting this bill, and I hope you will support this bill, for four basic reasons.

The first reason is that the Appalachian region has economic differences from the remainder of the country, and must be handled in a different manner.

The second reason is that the per capita income in Appalachia is less than \$1,400 as compared to \$1,900 for the remainder of the Nation, and this certainly indicates a priority need.

Third, whether we like it or not, as I pointed out to the gentleman from Alabama [Mr. MARTIN] on yesterday, the American taxpayer is pouring hundreds of millions of dollars into the Appalachian region every year for relief and related programs. I believe it is time that we stopped this and turned the relief checks into paychecks, and that is what the bill is designed to do.

Lastly, the Appalachian people do not want handouts. They want a hand. I have talked to Governors and other people in this region. They want a hand of friendship and help from a grateful nation, such as we enjoy by living in this country.

I am reminded of the story of a big, husky, 250-pound man who was walking down the street in my hometown one day, with a little 3-year-old boy tagging along. This little boy was hanging on to the forefinger of his father. As the big, husky gentleman strolled down the street, the little boy had to double time and triple time to keep up. Finally, after he had hung on as long as he could, he reached up and pulled on his father's hand and said, "Daddy, I have to slow down." With that the big, husky arm reached down, and instead of having the little boy hang on, a large hand wrapped around the wrist of the little boy and pulled him on down the street without any effort at all.

This is what we need to do in Appa-

lachia. For years upon years the people of Appalachia have been hanging on. They have been hanging on to what little economy they could find with the small amount of natural resources they could promote in this region. It is time that a grateful nation, the most powerful nation on the face of the earth, reached down and grabbed this region by the hand and pulled it on instead of permitting it to stumble and falter down the street of economic progress.

We have heard a great deal of talk in the past few days about what a boondoggle this bill is. I should like to quote some of the things which have been said on this floor.

This bill "is discrimination." This bill "is preference treatment." This bill "has several counties included that are not really in need."

Some go on to say that the approach is wrong. Let me say to you, ladies and gentlemen, that these are all excuses and certainly not reasons, because all these arguments can be met and will be met in the public law itself.

Let me say further, in all sincerity, I have great respect for my dear friend from Florida who is going to offer a substitute. Let us lay it on the line. The substitute which is to be offered today by my friend from Florida [Mr. CRAMER] primarily would increase the road building program for the entire Nation.

This bill calls for 3,350 miles of roads to be built in the 11-State Appalachian region—2,250 miles of arterial highways and 1,000 miles of access roads.

My friend BILL CRAMER's substitute calls for about 10,000 miles of roads for the entire Nation. I would remind my colleagues that we are now building a 41,000-mile road system, the Interstate Highway System, which calls for more than 4 times as many miles of roads as this substitute and I might add much more exclusive roads. But we still have our problems in Appalachia. This is not the answer. We must attack this problem on many fronts and not just on the front of roadbuilding alone. As I pointed out, we are spending in the Federal highway program, which is the largest building program ever undertaken in the history of America, almost \$50 billion, and we still have people walking the streets in Appalachia. So this substitute is not the answer to the problem.

Mr. CRAMER. Mr. Chairman, will the gentleman yield to me?

Mr. GRAY. I will be glad to yield briefly to the gentleman from Florida.

Mr. CRAMER. Has the gentleman read the other sections of the substitute which point out that in addition to the highway program it includes a vocational education program, a hospital demonstration facilities program, forest development programs, and sewage disposal programs?

Mr. GRAY. Will the gentleman agree that most of the substitute is roadbuilding?

Mr. CRAMER. Yes. And so is the administration bill composed of 76 percent for highways.

Mr. GRAY. But the gentleman is spreading this money through 50 States



in his substitute and we are leaving it in 11 States. I think the gentleman's bill will not do any good for Appalachia. We are here legislating for a priority region called Appalachia and not for the entire Nation at this time. I will support a program, if the gentleman wants to offer it, to accelerate the roadbuilding program. We have a bill sponsored by the gentleman from Minnesota [Mr. BLATNIK] and myself from our Public Works Committee, which would create a public works program for the country, and I hope the gentleman will support that bill when it comes before the committee, but the fact of the matter is that we are here trying to help Appalachia and we should direct our efforts to this region right now.

Mr. CRAMER. Does not the gentleman feel as far as his district is concerned, which is an impoverished district, that the substitute bill I intend to offer will provide a program for his district which S. 3 does not?

Mr. GRAY. The gentleman mentioned my district. My district has been impoverished. In fact, before I came to Congress things were so slow in my district that the Mississippi River was only running 3 days a week through the district. We do need some help. We want to help Appalachia now in this bill. We hope to be bringing a bill out which will call for an expenditure of \$2 billion for public works for the entire Nation, and I hope that the gentleman will support this bill at that time.

Mr. CRAMER. Let me say to the gentleman that if he will support the substitute which we are offering, we will get the Mississippi River running through his district every day in the week.

Mr. GRAY. I doubt it, because spreading this money all over the United States would be just like spitting in the Atlantic Ocean and expecting it to overflow. That is just about how far it would go.

Now, gentlemen, this is a serious problem. Those of you who represent districts with people who are hungry and out of work and with children having to fall out of school because they do not have the clothes or the textbooks with which to go, know that this is a serious problem. I would like to recite a poem here if I may. If you will listen to the words of this poem, you will understand why we must pass this bill and go on to help the people of Appalachia. The answer for a yea vote on this bill is found in this poem. The poem is entitled "The Bridge Builder."

I once saw an old man going down a lonely highway, when he came in the evening cold and gray, to a chasm vast and deep and wide, and the old man crossed over to the other side. When safe on the other side, he went back to build a bridge to span the tide. "Old man," said a fellow pilgrim near, "you are wasting your strength with building here. Yes, your journey may end with the passing of this day. You may never again pass this way." "Oh," the builder lifted his old gray head, "Good friend, down the path I have come," he said. "There follows after me today, a youth whose feet must pass this way. This

stream which has been nothing to me; to that fair-haired youth might a pitfall be. He, too, must cross in the twilight dim. Good friend, I am building this bridge for him."

The Members who represent districts who are fortunate enough not to have much unemployment and poverty should want to build a bridge from your prosperous areas over to this land of less opportunity. Do you not believe it is incumbent upon us as Americans all to want to share this great wealth and abundance that we have with those less fortunate people in the Appalachian region? Yes, we may be poor in some areas of southern Illinois, but we still want to share what we have with those less fortunate in Kentucky and Pennsylvania and Alabama and any other State of the Union in need.

I believe that to take a less forthright attitude would be a dereliction of duty on my part to those whom I represent. They are Christian-thinking people and I believe they want to extend a hand of fellowship, friendship, and support. Think of this poem, "The Bridge Builder." Let us build a bridge of economic stability in America, not by borders, not by States.

If you will vote "no" on the Cramer substitute and cast a "yea" vote on this bill tomorrow, you will be building a strong economic bridge—one bridge for America and one for all.

Mr. CRAMER. Mr. Chairman, I yield 7 minutes to the gentleman from Kentucky [Mr. CARTER].

(Mr. CARTER asked and was given permission to revise and extend his remarks.)

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Florida.

Mr. CRAMER. With regard to the remarks of the gentleman from Illinois [Mr. GRAY], and this bridge that he talks about, I would suggest that he ought to support the substitute under which we will build a highway from that bridge to his district so that his district may become a part of the redevelopment of the whole Nation. I believe he should give consideration to a bill that would support not only highway development, but demonstration health facilities, timber development organizations, mining area restoration, water resource study, vocational education facilities, sewage treatment works, for his district as well. So I wish he would give serious consideration as I think everyone else should, to the depressed areas of the country outside of Appalachia.

Mr. CARTER. Mr. Chairman, I am speaking in the interest of the passage of the Appalachian bill. To give you a concrete example of the way darkness has descended into the Cumberland, I will give you a brief history of Harlan County.

Harlan County in 1910 had a population of 10,000. Coal was first commercially produced in that county in 1910. The population rose to 70,000 by 1928 and 15 million tons of coal per year were produced. This was the peak of the county's economy and population.

About this time the loss of markets for coal began. Then later, automation threw thousands of miners out of work. The population began to shrink and has shrunk from 70,000 to 45,000. The employment situation is bad. A large percentage of the people are out of work. They live in substandard homes on very poor highways. They are without sanitary facilities and exist largely on Government-supplied food.

The largest coal tippie in the world is in Harlan County and is owned by the U.S. Steel Co. The wealth is sent out in thousands of coal cars each day to the blast furnaces in Ohio, Indiana, and Michigan. Very little is left of this wealth by these companies in Harlan and in the other counties of this area.

The road system is quite poor. We only have three U.S. Highways traversing the whole area of the Fifth District.

To my side of the House, I would state that my district has been strictly Republican since 1867. Other areas have received much more regional aid. Where would our West be if it were not for the high dams and reclamation projects?

We have seen TVA punch "holes in the darkness" of Tennessee, part of Alabama, northern Mississippi, and part of Kentucky. We have seen what the Hoover and Grand Coulee Dams have done for the West. It is our belief that the Appalachian plan would by its system of highways, sewerage disposal plants, health facilities, conservation, stream pollution control, remove the "night which has fallen over the Cumberlands and Appalachia."

Mr. PERKINS. Mr. Chairman, will the gentleman yield to me at that point?

Mr. CARTER. Yes, I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I wish to take this opportunity to compliment my distinguished colleague from southeastern Kentucky on his maiden speech in this Chamber. The gentleman has correctly stated the question in using Harlan County as an illustration. Harlan County is typical of all the coal mining communities throughout eastern Kentucky. My colleague from Kentucky has ably stated the problem and I am sure that the Members in this Chamber will not let the opportunity go by to help an area and to assist a region that has contributed so much to the general welfare of this entire country.

Mr. CARTER. I thank the gentleman.

Mr. JONES of Alabama. Mr. Chairman, I yield the remaining time to the gentleman from Minnesota [Mr. BLATNIK].

(Mr. BLATNIK asked and was given permission to revise and extend his remarks.)

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I would be delighted to yield to my friend and colleague the gentleman from Kentucky.

Mr. PERKINS. I would like to ask the gentleman a question with reference to the language which appears on page 18, section 203(b) of the land stabilization, conservation, and erosion control section. In connection with the landowners who



wish to take advantage of the grazing aspects or to get some of their farmland improved in Appalachia under this program, and assuming for instance that a small marginal farmer wanted to improve a couple of fields of small acreage, would this particular provision—based upon a reading of section (b), require the farmer to produce a complicated plan or would he just have to submit a simple plan? How would that provision operate?

Mr. BLATNIK. The gentleman from Texas [Mr. WRIGHT] is well versed on this point and I yield to the gentleman from Texas to answer the question.

Mr. WRIGHT. I would say to the gentleman from Kentucky that there is no requirement that the plan encompass a total of 50 acres, and in specific reply to the gentleman's question, if a farmer owned less than 50 acres, for example, and desired to come up with a plan for the long-range soil stabilization and conservation of his particular acreage, whether it be by terracing or by the planting of legumes or something of this nature—whatever would meet the approved practices recognized by the Agricultural Stabilization and Conservation Committee of his county, or be it the Soil Conservation Service, then they would enter into a simple agreement with him. There is nothing in the act that would require that a total of 50 acres be encompassed. But the act states that assistance can be given on no more than 50 acres. That is the limitation which exists in the law.

Mr. PERKINS. If the gentleman from Minnesota will yield further, if I understand the gentleman from Texas correctly, then it would be only a simple plan on that portion of the farm that he may want to improve as pastureland and the ASC and the Soil Conservation Service will be the agencies within the Department of Agriculture who will furnish the assistance in the carrying out of this operation, and the ASC administering this program.

Mr. WRIGHT. Yes; the gentleman is essentially correct.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from California.

Mr. JOHNSON of California. Mr. Chairman, the Appalachian region has many natural resources. One of its most abundant resources—and certainly one of its most valuable—is the annual rainfall.

This region enjoys one of the highest annual rainfalls in the United States. It is only exceeded by some sections of the southern delta and some sections of the Pacific Northwest.

Throughout the northern half of the Eastern United States, great lakes dot the terrain. These lakes were made during the ice age, as the glaciers pushed south. Unfortunately for Appalachia, the glacier movement stopped short of most of its territory.

As a consequence, natural impoundments, which these northern lakes provide for the area, are not found in Appalachia. The impoundments must be man made, just as they were in the Tennessee Valley.

If they are not created, a good bit of the developable land in Appalachia will remain unsuitable for economic development because of periodic floods. And because there is such a shortage of level land in Appalachia, the necessity for its protection becomes even more obvious.

Furthermore, this high average rainfall, which now spills down the slopes of the Appalachian Mountains into raging streams, can be put to far better recreational, industrial, and residential use if it is properly impounded.

The natural beauty of Appalachia will only be fully utilized when its water is controlled. This controlled water, held in big and small reservoirs, will insure the development of a year-round recreation industry in Appalachia.

These same impoundments can provide a constant supply of clean water for industrial and residential use.

The purpose of section 206 is to provide a coordinated plan under which these impoundments can be programed and constructed. This section requires a comprehensive, regionwide survey of all of the Appalachian water resources and a recommendation as to how each resource can be best exploited.

Specifically, this study, which will be coordinated by the Secretary of the Army will have three objectives:

First. To consider the needs for water resources development in terms of total economic development of the region and to assess how such development can stimulate economic growth.

Second. To relate potentials for water resources development to other actions planned to stimulate the economy.

Third. To develop a general plan and action program in keeping with regional planning.

In meeting these objectives, full consideration will be given to the preparation of a general plan that would assist Appalachia to compete with other regions of the Nation, taking into account the impacts of such a developmental program on those regions. The plan and specific projects will be formulated under current administration guidelines and procedures governing river basin and project planning which are printed in Senate Document No. 97.

To complete this study, the Secretary is directed to work closely with all agencies, Federal, State, and local, which have an interest in this subject.

I would like to point out that the particular interest of the Tennessee Valley Authority would be totally protected under this section. It is not intended that the Secretary would overlap or duplicate any of the TVA programs. With the assistance of TVA and the other Federal agencies and the Commission, general planning criteria would be established as the basis for preparation of the plan, consistent with the study objectives and sound planning objectives. This framework would provide the basis for TVA to assess its program in view of the study objectives, and to consider further water resources development in the TVA portion of Appalachia which it would accomplish consistent with the overall comprehensive plan for the region.

It must be clearly understood that this comprehensive plan in no way commits the President or the Congress to its findings. Each of the specific recommendations within the plan will require new authorization. While this comprehensive plan will become part of the overall regional plan to be developed by the Appalachian Regional Commission, it should not be interpreted as a blanket authorization.

Current procedures established by law for seeking congressional authorization and appropriations for water resource projects will be used as the basis for plan implementation and administration. It is not contemplated that either a new Federal agency or Government corporation would be required for this purpose. The scope of the program would be similar to program recommendations contained in river basin studies such as the Delaware River. The plan would embrace the programs of the Federal and State agencies concerned who would be responsible for implementing their programs under their procedures.

(Mr. JOHNSON of California asked and was given permission to revise and extend his remarks.)

Mr. BLATNIK. Mr. Chairman, the contents of the bill and the objectives of the whole regional approach of the Appalachia program all are directed at the most severely distressed area in America.

I shall attempt to limit myself to one major proposal being advanced by the other side to the whole of the bill, and that is the criteria for AWA and area redevelopment applied to these counties.

First. When the accelerated public works bill was brought up—and I happen to be one of the authors, and one of the many sponsors of the program—it worked splendidly. The accelerated public works program, like the area redevelopment program, is a proposal in which there is primary Federal assistance in terms of grants that is literally a rifleshoot into a given community for a specific purpose—water facilities, nursing homes, hospitals, streets and lighting, and so forth, for short-term immediate assistance. The ARA is to encourage private industry on a longer term range. But the whole concept of this area redevelopment is a continuity not only of geography but a continuity of history in which depletion of resources characterizes the source of the economic problems which cause them all. The problems are quite similar, whether it be West Virginia, Pennsylvania, eastern Tennessee, eastern Kentucky, or western North Carolina, or north-central Alabama and Mississippi. There is a concept. There is a continuity, and the concept of this regional approach involves areas which are rural and semirural.

Let us say we undertake a project, and let us say it will be a vocational training school. It will most likely serve an area, and within that area will be several counties. We call it multicounty—five, six, or seven. It will happen once in a while that these four, five, or six depressed counties that need help will be adjacent to a county a little better off, primarily a municipality. This merely says when such instances arise the pro-



gram to be undertaken will serve the best interests of most of the people. Say we have a municipality nearby in proximity or encircled by five distressed counties. It would not take much more money to enlarge the facilities for vocational training and other school facilities with minimum costs which will be utilized in training untrained and unskilled youngsters or dropouts from the rural area. Under this program the people will likewise seek employment now that they have a school in that urban center. The same would be true if you had a health center. Would it not be better to utilize the medical facilities of a community such as that and expanding it somewhat in the service of the surrounding rural area than to build small, inadequate medical centers in each of the counties?

This concept is better than eliminating certain counties and having a patchwork type of operation, the only effect of which would be to erect barriers or to erect impediments and make it more difficult to have an effective program.

The Appalachian Regional Development Act has one purpose—regional economic development. The argument that there are no standards for eligibility of counties to receive assistance, misses the whole point of the regional approach to economic development.

The regional effort outlined in this bill calls for a combination of the best efforts of both the rich and the poor areas of Appalachia. The small, sparsely settled counties of the region cannot hope to take, on their own, the steps that are essential to future economic development. They must join with their more prosperous neighbors in a common effort.

This cooperation is essential—it is the major objective of the Governors of the Appalachian States who signed the report of the President's Appalachian Regional Commission and who gave their total support to this bill in their statements to the House Public Works Committee.

This cooperation cannot take place if the funds which are to be spent under this bill can only be spent in the counties eligible for accelerated public works. I would like to use a hypothetical example to illustrate this point.

If we are to create regional health centers under section 202 of this bill, it would be foolish to restrict the location of these centers only to poor counties. Let us assume that a regional health center is to serve a combination of five counties. The road patterns in those five counties might lead to a convergence of the best roads at a single locality. Yet that locality might be located in a county which is ineligible under the Accelerated Public Works Act. If this amendment were to be adopted, those five counties would have to plan the location of the regional health center at a site outside of the ineligible county. Such an arbitrary restriction might destroy the value of such a center.

This same kind of example can extend to all of the sections of this bill. A vocational training center might best be located in a county ineligible by accelerated public works standards. The same thing might be true for an airport which

could be assisted under section 214, the supplemental grant section.

Alternatively, suppose a somewhat urbanized county is eligible for accelerated public works but its future is darkened by water pollution originating in an upstream area that is not eligible. Under this amendment, the accelerated public works eligible county could not be helped by a sewage treatment facility upstream.

I cannot believe that Congress would wish to create such an inflexible standard which would, in effect, create impediments, obstruct, and waste the dollars invested. If we pass this bill, we have stated in its preamble and I quote:

The public investments made in the region under this act shall be concentrated in areas where there is a significant potential for future growth and where the expected return on public dollars invested will be the greatest.

This amendment would make such an investment policy impossible. It would require us to scatter our investments in only those counties that are eligible under accelerated public works standards. Furthermore, there is no apparent rhyme or reason to the accelerated public works standard in terms of measuring need within the Appalachian region.

There are at present 76 Appalachian counties which are ineligible for accelerated public works assistance. This leaves 284 of the counties eligible under that act. In the 284 counties that are eligible for accelerated public works assistance, 30.1 percent of the families have an income of below \$3,000 a year. In the 76 counties which are ineligible, 30.6 percent of the families suffer from such a low living standard.

The present per capita income in the 284 eligible counties is \$1,411. The per capita income in the 76 which are ineligible is \$1,426.

I submit that these differences are so minute as to be nonexistent. Yet this amendment would require us to make a distinction as to where dollars could be spent.

Let me give you an even more revealing set of figures. In one of the counties in the State of Washington which is eligible for accelerated public works, the per capita income is \$1,914. Contrast that to the per capita income in Oconee County in South Carolina which is ineligible for accelerated public works. That per capita income is \$1,094.

Or let us look at Bay County in Michigan which is eligible for accelerated public works and has a per capita income of \$1,719. Then contrast that to Monroe County in eastern Kentucky which is ineligible for accelerated public works and which has a per capita income of \$763.

I am convinced that the accelerated public works standards are arbitrary, too rigid, and would not truly measure the need in any given section of the country and the application of those standards will certainly thwart any attempt at a regional development program.

I would point out to you that one of Appalachia's greatest problems is its lack of cities and towns. This is a region in

which 50 percent of the people are classified as rural as against only 30 percent nationally. One of the main objectives of the Appalachian program is to promote stronger ties between the rural areas and the urban areas of the region.

Knox County, Tenn., and Buncombe County, N.C., are growing urban centers that are surrounded by small rural counties whose economic development will have to be closely tied to these growing urban centers.

In the past the economic problems of Appalachia have been primarily solved by an outmigration of those people who could not find work within the region. They left for other parts of the country—primarily the large cities of the East and Middle West.

I believe that this bill offers an alternative. I believe that the people of Appalachia can find employment within the region but it can only be found in those places which can attract industry. I believe that this bill will permit the people who live in small rural counties to commute to their jobs. They can continue to live where they obviously want to live in the hills and hollows of Appalachia.

Commuting to work has become one of the dominant patterns of American life. Our metropolitan areas are filled with people who spend from 1 to 3 hours a day making the trip back and forth to their business.

In such metropolitan areas that time spent commuting may only take them a distance of 10 to 18 miles each way. With good roads, with other decent facilities, that time in Appalachia could cover far larger distances.

Gentlemen, this is what regionalism is all about in Appalachia. I urge you not to create an arbitrary obstacle that would thwart the achievement of that regional goal.

I could go on and on and give you many other illustrations in which (a) the aid is not an adequate reflection of the need, and (b) we need to attack these problems on an areawide and multi-county basis which combine to make an overall regional program in which the problem, the people, the end result, and the root causes are all considered.

I am not going to tolerate any more all this talk of these people who have a substitute, who have opposed everything and anything in whatever form we have proposed in the 18 years I have been here. The gentleman from Kentucky [Mr. PERKINS] and I, 15 years ago brought up the Youth Conservation Corps, which finally—and I congratulate him and his associates—got through last year, over undying opposition of these opponents of this bill. The Water Pollution Control Act was finally passed in spite of their opposition.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. Let me complete my litany.

The area redevelopment bill, every line, every chapter, in the whole bill was opposed and they proposed a substitute. The Area Redevelopment Act was called by the gentleman from Florida the worst



piece of legislation that has ever been advocated on the floor of the House.

Mr. CRAMER. Mr. Chairman, will the gentleman yield, inasmuch as he has mentioned my name?

Mr. BLATNIK. No.

What is the issue? The issue is, This is the first most important attack on the problem and will help the people who need it most. It will assist 15.3 million people living in depressed parts of 11 States.

I urge that the bill as reported be adopted without change.

Mr. CRAMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in answer to the gentleman from Minnesota, in the first place, it is amazing to me to see the gentleman from Minnesota condemning so vehemently the test that they themselves proposed—and the gentleman was one of the major proponents of the test—of what is a depressed area under area redevelopment and under accelerated public works. Now we are adopting that test on the basis of where there are needs because of unemployment throughout America.

Then we are trying to make a good program out of what is a bad program relating to Appalachia—a good highway program out of what is a bad one in Appalachia.

We are trying to put within proper focus these programs that have long-range effect on unemployment and may do something about it. We opposed accelerated public works for the obvious reason that it failed and it will continue to fail. The record of it proves that it failed. There is no question about it—when it costs an average of more than \$10,000 per man-year to provide one additional job on a temporary basis on a make-work public works project program. That is an utter failure. It was such a bad failure that the Congress did not even see fit to authorize any additional authorization for it last year. Area Redevelopment Act was such a failure in its application that they did not even see fit to appropriate any more money for it. These facts speak for themselves. The test of what is a depressed area is the only thing adopted in the substitute and the program in the substitute is one that has a long-range effect.

Mr. QUILLEN. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Tennessee.

Mr. QUILLEN. Mr. Chairman, I rise in support of the Appalachia bill. I represent 14 counties comprising the First Congressional District of the State of Tennessee.

We are ready to go with the passage of this bill. The highway provision alone, contained therein, will open up a new vista of industrial and tourist development, which will give us an opportunity to help ourselves. Give us the tools and we will do the job.

I urge the passage of this measure.

(Mr. QUILLEN asked and was given permission to revise and extend his remarks.)

Mr. RYAN. Mr. Chairman, the proposed Appalachian Regional Development Act of 1965 presents a comprehensive, long-range plan for Appalachia. The enactment of this bill should provide this mountain region with a basis for economic rehabilitation and growth. At last millions of people in Appalachia will have some reason to hope that they and their children will not live out their lives in poverty and despair. And when I am talking of Appalachia, I am thinking also of those counties of New York State—the counties along its southern border which share many of the problems of the rest of Appalachia.

This bill is needed because Appalachia is a hard core of underdevelopment in this country. It is needed because State and local government efforts in the region have not sufficed.

Despite local bootstrap efforts to overcome unemployment and poverty, unemployment and poverty persist. A low level of educational achievement and a high incidence of public assistance cases persist. An inadequate tax base and a lack of regional coordination have frustrated attempts to solve problems which expand with each year of neglect.

No one State or locality can, by itself, solve the problems of polluted and wasted water resources in Appalachia. No one State or locality can salvage the wasted land, and all the wasted human resources. A coordinated approach is needed.

This approach is provided in this bill. The creation of the Appalachian Regional Commission will furnish a focal point for Appalachian programs and projects. It will be a forum where the States, citizens, and the Federal Government can come together to consider the problems of the region. This is in keeping with our democratic traditions.

Democracy and the national interest will certainly be served by this coordinated regional approach. As the report of the President's Appalachian Regional Commission said:

In the future, Appalachia's potential of timberland, fossil energy, and recreational water and wilderness will be required for the satisfaction of our national goals. But further resource activity in the region—if uncoordinated in its timing or its relationship to human and social capital—could repeat the past pattern and make little more than a piecemeal improvement of the Appalachian social and economic substructure.

This statement by the Commission is not to be taken lightly, as the long-continuing problems of Appalachia aptly illustrate. A major, comprehensive effort must be made, and I hope that the legislation we are considering will generate that effort.

In the application of the provisions of this bill, true resource improvement can be visualized. The construction of roads, for example, will open up areas to tourism and allow residents to commute to employment centers. Additional roads will allow schools to be consolidated and thus provide better teaching facilities.

Medical centers will be constructed in areas where they are most needed to build up the health of residents. The construction of additional sewers will

help clean up streams and provide a more healthful environment.

Basic improvements are also to be looked for in the survey of water resources and the study of strip and surface mining provided for in this bill. These surveys are necessary first steps in comprehensive rehabilitation of land and water.

Another of the constructive provisions of this bill provides supplementary grants-in-aid to allow communities to participate in existing Federal programs. Too often Appalachian communities have not been able to participate fully in Federal grant-in-aid programs for the construction of hospitals, airports, and other public facilities. They are too poor to provide the required percentage of matching funds necessary to obtain these public facilities, and become poorer because they do not have the facilities. They cannot attract industry and commerce or keep their young people. The downward economic spiral is accelerated.

The provision of supplementary grants-in-aid will help local communities participate in those Federal programs which stimulate the economy.

The carefully studied sections in the bill are intended to help bring the lagging Appalachian region up toward a decent economic level.

I am concerned that, while certain counties of New York State have problems similar to Appalachia, New York State is not participating in the Appalachian program. In the very beginning, the State of New York was invited to participate in the planning of the Appalachian program but declined to do so. Several other Appalachian States did not participate at first but came in later. New York never did.

I think it is unfortunate that the Appalachian section of New York was not included in the original study and bill. However, Senator ROBERT F. KENNEDY's timely amendment to S. 3 as it was approved by the Senate has opened the door for the inclusion of that part of New York State which is really a part of Appalachia. The southern tier counties of New York that lie adjacent to the northernmost counties of Pennsylvania, which are already included in S. 3, are part of the Appalachian Mountain chain and share many of the characteristics of their neighbors across the State line. Many communities are relatively isolated. Young people are leaving the region.

A high percentage of the families have disturbingly low incomes. As Senator KENNEDY pointedly remarked in introducing his amendment:

Of the 199,000 families in the 13 counties of the southern tier, more than 23,000—nearly 12 percent—have incomes of under \$2,000 a year, according to the 1960 census. In fact, these New York counties are less free from poverty than many counties now included in S. 3.

Their educational attainments are comparable to those in the rest of Appalachia and far below the average for the United States. Thus, in the 13 New York counties referred to by Senator Kennedy's amendment, of the men and women 25 years of age and over, only 14.5



percent have completed 4 years of high school, compared with 45 percent for the United States as a whole.

Let me refer to a few of the statements by leaders and other representative citizens of these southern tier counties to illustrate my point and to show how the development programs under this bill might bring about a revival of well-being and progress in this area.

In Salamanca, in Cattaraugus County, just north of Allegany State Park, Mayor Keith L. Reed has reported that about 300 of the town's population of 8,400 now draw unemployment checks. Many more have exhausted their benefits or were not eligible for them in the first place. For the past 10 years the town has been going downhill. The repair yards of the Erie-Lackawanna Railroad, once the economic backbone of the area, have gradually been closed down, and only two furniture factories and some small industries remain. Mayor Reed states flatly:

We need help now. We've got a sewer system to build. Taxes are going up and the number of jobs is going down. I hope the Appalachia program can give us something.

The Appalachia program could provide assistance to build such a sewer.

Two counties to the east, in Steuben County, Mayor Harold A. Hogue of Hornel tells a similar story. Here too, the Erie-Lackawanna shop was shut down, its work shifted to Pennsylvania, leaving a wide gap in employment. Mayor Hogue declared:

We're miles and miles from the main highways. We need help. We need an expressway, sewers, and a water conservation project.

About 80 percent of the funds under the Appalachia Regional Development Act are designated for highway construction, to provide better access to communities just like Mayor Hogue's.

Still further east, in Binghamton in Broome County, Mayor John J. Burns explains that welfare costs in his city have risen to the point of being the costliest item in Binghamton's annual budget of \$15 million. He continues:

What we need is Federal help in retraining those made jobless by automation and the less educated. We also need development of our water resources.

Between the Economic Opportunity Act and the Appalachian program, these needs can be met.

Route 17 runs through this southern tier of counties. If it could be made into an expressway—and, in my judgment the Appalachian Regional Development Act could be expected to provide the impetus necessary for such an expressway—more industry would be attracted to these counties, as transport to markets becomes easier and faster.

Mr. Chairman, I feel strongly that the State of New York should have taken advantage of the opportunity to participate in a great regional program at its inception. I hope that the amendment providing that the inclusion of these southern tier counties in the Appalachian program be studied by the Appalachian Regional Commission will result in extending the program for the benefit of New York State.

All parts of Appalachia, including its New York counties, should participate in this program. We must raise the economic level of the entire Appalachian region. We can start by passing this bill and demonstrating our belief, as we did when we passed the Economic Opportunity Act of 1964, that this country must do everything possible to wipe out poverty and misery wherever it occurs.

Mr. McDADE. Mr. Chairman, the needs of the Appalachian region of America are great.

For over 10 years the Members of this Congress and the various administrations which have succeeded each other have looked to this region and have deplored the vast spectacle of an area that is clearly rich in fine workers and great natural resources, falling into poverty, or remaining mired in the poverty into which it had previously fallen.

We have had attempts in the past to provide assistance to the Appalachian area. The Area Redevelopment Act, which I have supported in the past, brought some help. Other acts passed by the Congress brought partial help. But there was never a concentrated effort to bring about the rehabilitation of that area. The Appalachian Regional Development Act of 1965 proposes to make such an effort, and so I shall support it.

This is a bill that brings a broad range of help to the Appalachian region. I shall not attempt to detail the various programs which are proposed, but some comment is certainly in order on their general nature.

We are all well aware that transportation is the lifeblood of any nation. Under provisions of this bill, the construction of highways, both primary and secondary, will move forward at a greatly accelerated pace. The construction of such roads will undoubtedly contribute significantly to the attraction of tourists to this area, which is one of the scenic wonderlands of the world. The mountain barriers of the Appalachian Mountains will no longer be barriers to trade and transportation. Highway routes through these mountains will become not only avenues through which visitors may come to view the natural beauties of the area, but will also be the avenues along which new commerce may flow, and beside which new industries may grow.

There are also provisions for the health services in the Appalachian region. Too long have too many people of this region suffered the deprivations brought about by ill health. Too long have they lacked the consultant value of excellent clinics in the field of maternal care, child care, mental health, and communicable diseases. Through this bill it is proposed to open new dimensions in health facilities in the Appalachian region, particularly in the field of outpatient treatment. This may be a most significant part of this act.

There are provisions also for land stabilization, conservation, and erosion control. We have, in the past Congress, made bold new steps in the field of conservation. We are proposing new steps in this Congress, and I believe them to be good ones. In the Appalachian region, with its vast range of mountains and hills, we are plagued with the ever present problem of hillside erosion. It

is a problem that has reduced farming productivity and one that has also scarred the beauty of the region. Through a program of land utilization, the control of runoff, and other allied programs, it is now proposed to meet this problem—to reclaim land and to conserve both its use and its beauty for the future. Closely allied to this is the program of timber management, through which it is hoped that the beautiful forests of this region may not only be preserved for future generations, but may be made even more productive than they were in the past when timber was a major industry of the region.

Of enormous significance is that program which proposes to reclaim the coal lands of this region. If you have traveled through this region, as I have so often traveled through my own district, you may see the scarred landscape that strip mining has left in its wake. If you will linger with us in the coal region, you may learn of the mine fires, the mine subsidence, the stream pollution that we live with daily. That an expanded program of reclamation of these coal lands is included in this bill would be sufficient reason for my support. I am pleased to see it coupled with so many other good provisions. Closely tied to this is the water resources program, which will not only control floods, but which will also contribute to the fight against stream pollution.

There are new provisions in the field of vocational education, sewage treatment, as well as important provisions to provide assistance to local communities who cannot raise sufficient local money to take advantage of such programs as the Hill-Burton Act.

For all of these reasons, and for the other sections of this bill I have not mentioned, I am supporting this bill enthusiastically.

I am well aware that this is not a perfect bill. There are amendments which I would like to see included in this bill which would strengthen certain sections which deal with strip mining, and I would like also to see an amendment to provide for needed assistance to people whose homes have suffered mine subsidence. But to attempt to amend this bill here on the floor would mean the problem of the resolution of these amendments in a House-Senate conference, and this is clearly undesirable at this particular time. Delay in the passage of this bill would only add days, or weeks, or possibly months to the time it would go into effect. There is no reason to delay, so I will support the bill with no amendments in the interest of seeing it passed and made effective now.

It has been said that this is a regional bill. It is indeed. It is not the first, and it will benefit a region that sorely needs benefits. But I hope that all my colleagues will realize that the rebuilding, the reclamation of the Appalachian area will benefit not only Appalachia. Whatever prosperity this brings to our region will redound to the prosperity of all America. It may not be the perfect bill we would like to see written. But it is a good bill, a needed bill, and a bill that is needed today. I will support it vigorously.



Mr. EVINS of Tennessee. Mr. Chairman, I thank my friend for yielding—and may I commend and congratulate the distinguished gentleman from Alabama and his committee for reporting this measure to the House. This is an important bill.

I rise in unqualified and unequivocal support of S. 3, the Appalachia Regional Development Act of 1965, as recommended by the Committee on Public Works.

I know the urgency of this legislation, Mr. Chairman. I know its necessity. I know its need.

I know something of what it means to be caught in the grinding gears of poverty for generation after generation. I know what it means to be deprived of livelihood, to be deprived of opportunity—to be deprived of education—to be deprived of the basic ideal of equal opportunity inherent in a democratic society. I have seen them in the faces of people.

I know the effect of these denials—the effect of this human erosion, because it exists in many of the counties of my district which stretches across Tennessee from the Alabama to the Kentucky borders.

I have seen the face of poverty and it is not pretty.

I have seen men grown old beyond their years because of the economic trap that has condemned them to lives of futility and disillusionment.

I have seen women bent by despair and hopelessness in the desperate struggle to feed their families.

I have seen children denied an education because they had no shoes.

This legislation, Mr. Chairman, is couched in terms of economic development—of highway development—of development of natural resources. It embraces an 11-State area that includes 165,000 square miles and more than 15 million people. It involves 8.5 percent of our total population.

It includes a 5-year road construction program to cost \$1.2 billion—\$840 million from the Federal Government and \$340 million from the States.

It includes a program of health center construction.

It includes preparation of a program of water resource development.

It includes an accelerated program of vocational education.

It includes reclamation of areas eroded by strip mining and revival of timber development.

It includes an effort to revitalize the bituminous coal industry.

It includes urban development planning grants and grants to local development units.

This is a program keyed to the community level, a program in which the States will have the primary responsibility for planning through the Appalachian Regional Commission.

It is a program keyed to resource development—a program aimed at creating the climate in which the private sector of the economy can move in and operate in accordance with our free enterprise system to create jobs and opportunities.

It is all these things.

But essentially, it is an investment in human capital—the most economically—the most morally enlightened investment this Nation can make.

Between 1950 and 1960 the Appalachian area lost 640,000 jobs in agriculture and mining operations. Its decline in agriculture was almost twice as rapid as that of the remainder of the country. The decline in mining was 58 times as fast.

The annual per capita income is \$500 lower than the national average. Unemployment averages 50 percent higher than the national rate.

It is an area torn between the old and the new.

It is underdeveloped because of its terrain and the tremendous scope of work involved in development.

It is caught in the backwash of automation because of the displacement of men with machinery in mining and agriculture. Its economy is not diversified to the extent that it can absorb the impact of unemployment.

If the citizens of Appalachia had their per capita income raised to the national average, \$5.2 billion would be added to the country's annual rate of personal income.

Development of this region will mean that the welfare rolls will be reduced and that private payrolls will be increased. Public welfare assistance now totals \$375 million a year in Appalachia. But the toll in the social injustice cannot be measured in dollars and cents—its toll is in the waste of human lives—the waste of human resources.

It is crystal clear that in this bill we have an opportunity to accomplish works which will contribute enormously to the well-being and the advancement—not only of Appalachia but of our entire country.

The residents of Appalachia itself will be the direct beneficiaries. But their neighbors and their fellow citizens everywhere in this land cannot fail to recognize that they too will share abundantly in the great benefits deriving from a revitalized, prosperous, and progressive Appalachia.

Mr. Chairman, I repeat, the whole life of our Nation—economic, social, educational, cultural, and moral—will be enriched and strengthened by the new energy and purpose that will be released through this development program in a region which has had much more than its share of difficulty.

Under the provisions of this proposed act, we will be helping people to help themselves in the truest sense of that phrase.

All of the assistance that would be provided is of the kind that stimulates private initiative and encourages individuals to develop and make fuller use of their God-given capacities.

This program is a complete departure from the welfare approach. Its success, I repeat, will make possible important decreases in welfare program costs.

Federal welfare payments in Appalachia now amount to more than \$375 million annually. Appalachia contains 8.5 percent of the Nation's population

but receives almost 12 percent of the Federal public assistance funds. The regional development plan we are considering offers a practical and economical way to turn despondent welfare clients into creative and happy wage earners—and taxpayers.

This program commends itself to all our States because all the Nation will benefit by its implementation.

When one section of the country prospers—all America prospers.

We cannot and must not be provincial in our outlook when America and American people are concerned.

This program merits the enthusiastic support of true advocates of American progress, for it is based squarely on the resource development principle.

The soundness of this approach has been proved over and over again in many actions by Congress.

Mr. Chairman, if I emphasize my support of this program with some feeling, it is because of the awareness I have of the situation through long and close association with courageous people who live daily with the problems of Appalachia.

In the Cumberlands of Tennessee, there is now a vigorous stirring of new hope that remoteness and isolation will be banished by the construction of a north-south highway under the Appalachian regional development program.

The developmental highway program has been planned to open up isolated areas and to provide better access for other communities whose growth has long been retarded by the inadequacy of transportation facilities. This is an essential first step in the bringing in of new industry and the encouragement of new settlement, growth, and progress.

The economic resurgence stimulated by the new developmental highways will help to reverse the outmigration trend which has severely penalized many of our Appalachian communities. And this will contribute importantly to the achievement of better balanced national growth and development.

By creating conditions which will enable our smaller communities better to hold their populations—particularly their young people—we open the doors to a happier and healthier life for more American citizens.

By promoting development which will make less developed or underdeveloped communities more accessible and more economically attractive, we attack both the problem of the overgrown cities and the problem of the undergrown small towns and rural areas.

This regional development program is right for the orderly, rational, and healthy growth of America.

In our section of Appalachia, we have great resources in the soil—in the forests on the land—in the minerals under the land—in our streams and lakes—and above all in the hardy people who have occupied this noble land since it was first settled by the pioneers.

There will be other areas of America needing and requiring attention—other Appalachias—the results of this measure may well serve as an inspiration for other



similar actions by the Congress. So let us begin by passing this bill now.

Appalachia has a golden future—if we provide the region with the keys to opportunity. This bill contains those keys, Mr. Chairman, and I urge its passage.

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Appalachian Regional Development Act of 1965".*

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: Strike out all after the enacting clause and insert in lieu thereof the text of the bill, H.R. 4466, as follows: "That this Act may be cited as the 'Resources Development Act of 1965.'"

#### "FINDINGS AND STATEMENT OF PURPOSE"

"SEC. 2. The Congress hereby finds and declares that some areas of the United States, which may be abundant in natural resources and rich in potential, lag behind the rest of the Nation in economic growth and that the people of such areas have not shared properly in the Nation's prosperity. It is, therefore, the purpose of this Act to assist these areas in meeting their special problems, to promote their economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to their growth and attacking their common problems and meeting their common needs on a coordinated and concerted basis. The public investments made under this Act shall be concentrated in areas where there is the greatest potential for future growth, and where the expected return on public dollars invested will be the greatest. As these areas obtain the needed physical and transportation facilities and develop their human resources, the Congress expects that such areas will generate diversified industries, and that these areas will then be able to support themselves, through the workings of a strengthened free enterprise economy.

#### "ECONOMIC DEVELOPMENT HIGHWAYS"

"SEC. 3. (a) The Secretary of Commerce (hereinafter in this section referred to as the 'Secretary') is authorized to assist in the construction of economic development highways. Such highways, in conjunction with Federal-aid highways and other public highways and roads shall be designed to open up areas with an economic developmental potential where commerce and communication are inhibited by lack of adequate highway access. The provisions of title 23, United States Code, that are applicable to the Federal-aid primary systems and which are not inconsistent with this Act, shall apply to the economic development highways provided for in this section, except that the provisions of title 23, United States Code, that are applicable to the Federal-aid secondary system and which are not inconsistent with this Act shall apply to any economic development highways added to such system. Each development highway not already on the Federal-aid primary system shall be added to such system, except that not to exceed three thousand miles of development highways may be added to the Federal-aid secondary system.

"(b) As soon as feasible after enactment of this Act the State highway department of each State shall submit to the Secretary its recommendations with respect to (1) the general corridor location and termini of economic development highways, within the State, not exceeding a mileage equal to 5 per centum of the total mileage of highways

then designated on the Federal-aid primary system within the State, and (2) priorities for construction of the major segments of such highways. Such recommendations shall be accompanied by a certificate of the Governor of the State that the recommendations have been developed after consultation with the State agencies concerned with conservation and development of natural resources, and public health and welfare.

"(c) All economic development highways designated as such pursuant to this section shall serve eligible areas (1) which have an economic developmental potential that can be promoted by adequate highway access, and (2) where commerce, communication, and realization of economic development potential have been inhibited by lack of adequate highway access.

"(d) The Secretary shall have authority to approve in whole or in part the recommendations of the State highway department or to require modifications or revisions thereof. As soon as feasible after enactment of this Act, but in any event not later than January 30, 1966, the Secretary shall designate economic development highway routes in each State having an eligible area meeting the criteria set forth in subsection (c) of this section, and not exceeding ten thousand miles in total length. Funds available for economic development highways shall be used to pay the Federal share of the cost of construction and improvement of such highways. The Federal share payable on account of any such highway project shall not exceed 50 per centum of the cost of construction, unless the Secretary determines that the State does not have the economic and financial capacity to supply its percentage of such costs and that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall the Federal share payable on account of any project exceed 70 per centum of the cost of construction.

"(e) Sums authorized to be appropriated for expenditure on the economic development highways shall be apportioned among the several States by the Secretary on or before January 1 next preceding the commencement of each fiscal year, in the following manner:

"(1) For the fiscal years ending June 30, 1966, June 30, 1967, and June 30, 1968, in the manner provided in section 104(b)(1) of title 23, United States Code, for the apportionment of funds for the Federal-aid primary system.

"(2) For the fiscal year ending June 30, 1969, and succeeding fiscal years, in the ratio which the estimated cost of completing the economic development highways in each State, as determined and approved in the manner provided in this paragraph bears to the sum of the estimated cost of completing such highways in all of the States. As soon as the highway routes have been designated pursuant to subsection (d) of this section, the Secretary, in the cooperation with the State highway departments, shall make a detailed estimate of the cost of completing the economic development highways as then designated, after taking into account all previous apportionments made under this section, in accordance with rules and regulations adopted by him and applied uniformly to all of the States. The Secretary shall transmit such estimates to the Senate and the House of Representatives within ten days subsequent to January 2, 1967. Upon approval of such estimate by the Congress, the Secretary shall use such approved estimate in making apportionments for the fiscal year ending June 30, 1969, and succeeding fiscal years, unless and until the Congress shall direct a different manner of apportionment.

"(f) To carry out this section there is hereby authorized to be appropriated the

sum of \$400,000,000 for the fiscal year ending June 30, 1966, and the sum of \$400,000,000 for the fiscal year ending June 30, 1967.

#### "DEMONSTRATION HEALTH FACILITIES"

"SEC. 4. (a) In order to demonstrate the value of adequate health and medical facilities to the economic development of any eligible area, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction and equipment of multicounty demonstration health facilities, including hospitals, regional health diagnostic and treatment centers, and other facilities necessary to health of persons in any eligible area. Grants for such construction (including initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291-291z) and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), without regard to any provisions therein relating to appropriation authorization ceiling or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant under this section for construction (including initial equipment) shall exceed 80 per centum of the cost of the project. Not to exceed \$82,000,000 of the funds authorized in section 18 shall be available for construction grants under this section.

#### "TIMBER DEVELOPMENT ORGANIZATIONS"

"SEC. 5. (a) In order that any eligible area shall more fully benefit from the timber stands that are one of its prime assets, the Secretary of Agriculture is authorized to—

"(1) provide technical assistance in the organization and operation, under State law, of private timber development organizations having as their objective the carrying out of timber development programs to improve timber productivity, and quality, and increase returns to landowners through establishment of private nonprofit corporations, which on a self-supporting basis, may provide (A) continuity of management, good cutting practices, and marketing services, (B) physical consolidation of small holdings or administrative consolidation for efficient management under long-term agreement, (C) management of forest lands, donated to the timber development organizations for demonstrating good forest management, on a profitable and taxpaying basis, and (D) establishment of a permanent fund for perpetuation of the work of the corporations to be composed of donations, real or personal, for educational purposes.

"(2) provide not more than one-half of the initial capital requirements of such timber development organizations through loans under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1926 et seq.). Such loans shall not be used for the construction or acquisition of facilities for manufacturing, processing or marketing forest products.

"(b) Not to exceed \$10,000,000 of the funds authorized in section 18 of this Act shall be available to carry out this section.

#### "MINING AREA RESTORATION"

"SEC. 6. (a) In order to further the economic development of any eligible area presently damaged by deleterious mining practices, the Secretary of the Interior is authorized to—

"(1) make financial contributions to the State in which such eligible area is located to seal and fill voids in abandoned coal mines in accordance with the provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), with-



out regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formations, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act.

"(2) plan and execute projects for extinguishing underground and outcrop mine fires in any eligible area in accordance with the provisions of the Act of August 31, 1954 (30 U.S.C. 551 et seq.), without regard to any provisions therein relating to annual appropriation authorization ceilings. Grants under this paragraph shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act.

"(3) expand and accelerate fish and wildlife restoration projects in any eligible area in accordance with the provisions of the Act of September 2, 1937 (16 U.S.C. 669 et seq.), and the Act of August 9, 1950 (16 U.S.C. 777 et seq.), without regard to any provisions therein relating to apportionments among the States and to limitations on the availability of funds. The expenses of projects under this paragraph shall be paid solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the apportionments among the States pursuant to any other provisions of law.

"(b) For the fiscal years 1966 and 1967, notwithstanding any other provision of law, the Federal share of mining area restoration projects carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof.

"(c) The Congress hereby declares its intent to provide for a study of a comprehensive, long-range program for the purpose of reclaiming and rehabilitating strip and surface coal and other mining areas in the United States. To this general end, the Secretary of the Interior shall, in full cooperation with the Secretary of Agriculture, the Tennessee Valley Authority, and other appropriate Federal, State, and local departments and agencies, make a survey and study of strip and surface mining operations and their effects in the United States. The Secretary of the Interior shall submit to the President his recommendations for a long-range comprehensive program for reclamation and rehabilitation of strip and surface mining areas in the United States and for the policies under which the program should be conducted, and the President shall submit these to the Congress, together with his recommendations, not later than July 1, 1967. Such study and recommendations shall include, but not be limited to, a consideration of the following matters—

"(1) the nature and extent of strip and surface mining operations in the United States and the conditions resulting therefrom;

"(2) the ownership of the real property involved in strip and surface mining operations;

"(3) the effectiveness of past action by States or local units of government to remedy the adverse effects of strip and surface mining operations by financial or regulatory measures, and requirements for appropriate State legislation, including adequate enforcement thereof, to provide for proper reclamation and rehabilitation of areas which may be strip and surface mined in the future;

"(4) the public interest in and public benefits from which may result from reclamation, rehabilitation, and appropriate development and use of areas subjected to strip and surface mining operations, including (A) economic development growth, (B) public recreation, (C) public health and safety, (D) water pollution, stream sedimentation, erosion control, and flood control, (E) highway programs, (F) fish and wildlife

protection and restoration, (G) scenic values, and (H) forestry and agriculture;

"(5) the appropriate roles of Federal, State, and private interests in the reclamation and rehabilitation of strip and surface mining areas and the relative costs to be borne by each, including specific consideration of (A) the extent, if any, to which strip and surface mine operators are unable to bear the cost of remedial action within the limits imposed by the economics of such mining activity, and (B) the extent to which the prospective value of lands and other natural resources, after remedial work has been completed, would be inadequate to justify the landowners doing the remedial work at their expense; and

"(6) the objectives and the total overall costs of a program for accomplishing the reclamation and rehabilitation of existing strip and surface mining areas in the United States, giving adequate consideration to (A) the economic benefits in relation to costs, (B) the prevention of future devastation of reclaimed and rehabilitated areas, (C) the avoidance of unwarranted financial gain to private owners of improved property, and (D) the types of aid required to accomplish such reclamation and rehabilitation.

"(d) No moneys authorized by this Act shall be expended for the purposes of reclaiming, improving, grading, seeding, or reforestation of strip-mined areas except on lands owned by Federal, State, or local bodies of government, until authorized by law after completion of the study and report to the President as provided in subsection (c) of this section.

"(e) Not to exceed \$43,000,000 of the funds authorized in section 18 of this Act shall be available to carry out this section.

#### "WATER RESOURCE STUDY

"SEC. 7. (a) The Secretary of the Army is hereby authorized and directed to make a study of all authorized projects, and all surveys authorized for projects, for flood control, navigation, and beach erosion control, the construction of which projects will be economically beneficial to any eligible area in the development and efficient utilization of water and related resources, particularly in regard to the need for an increase in the production of economic goods and services within the eligible area, as a means of expanding economic opportunities and thus enhancing the welfare of its people, and for the purpose of determining priorities of construction of such projects and the need for authorization of new surveys, new projects, or additional work, which will provide such benefits for eligible areas.

"(b) The Secretary shall submit a report of the study to the Congress not later than June 30, 1967, together with his recommendations for priorities of the making of surveys and the construction of projects that will be economically beneficial to eligible areas.

"(c) Not to exceed \$5,000,000 of the funds authorized in section 18 of this Act shall be available to carry out this section.

#### "AMENDMENTS TO HOUSING ACT OF 1954

"SEC. 8. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking the word 'and' at the end of paragraph (7), by substituting for the period at the end of paragraph (8) the phrase 'and', and by adding a new paragraph (9) to read as follows:

"(9) States, local development districts, and other State governmental agencies and instrumentalities authorized to administer or carry out programs or projects under the Resources Development Act of 1965."

"(b) Section 701(b) of the Housing Act of 1954 (40 U.S.C. 461(b)) is amended by adding before the period at the end of the first sentence the following: ', or to States, local development districts, and other State governmental agencies and instrumentalities

in connection with planning for the economic development of eligible areas under the Resources Development Act of 1965'.

#### "VOCATIONAL EDUCATION FACILITIES

"SEC. 9. (a) In order to provide basic facilities to give the people of any eligible area the training and education they need to obtain employment, the Secretary of Health, Education, and Welfare is authorized to make grants for construction of the school facilities needed to provide vocational education for persons of any eligible area for whom such education is not now adequately available. Such grants shall be made in accordance with the provisions of the Vocational Education Act of 1963 (77 Stat. 403), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) Not to exceed \$32,000,000 of the funds authorized in section 18 of this Act shall be available to carry out this section.

#### "SEWAGE TREATMENT WORKS

"SEC. 10. (a) In order to provide facilities to assist in the prevention of pollution of the waters in any eligible area and to protect the health and welfare of its citizens, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction of sewage treatment works in accordance with the provisions of the Federal Water Pollution Control Act (33 U.S.C. 466 et seq.), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States pursuant to any other provision of law.

"(b) Not to exceed \$12,000,000 of the funds authorized in section 18 of this Act shall be available to carry out this section.

#### "MAINTENANCE OF EFFORT

"SEC. 11. No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds, exclusive of Federal funds, for the benefit of all eligible areas within the State are maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act. In computing the aggregate expenditures of State funds and the average level of expenditure for its last two fiscal years, a State's expenditures for participation in the National System of Interstate and Defense Highways shall not be included.

#### "CONSENT OF STATES

"SEC. 12. Nothing contained in this Act shall be interpreted as requiring any State to engage in or accept any program under this Act without its consent.

#### "PROGRAM IMPLEMENTATION AND PROJECT APPROVAL

"SEC. 13. (a) A program authorized under any section of this Act shall not be implemented until the Secretary administering such program has consulted with the appropriate official or officials concerned with such program as may be designed by the Governor or Governors of the State or States involved and has obtained the recommendations and approval of such official or officials with respect to such program. No project shall be approved for Federal assistance under this Act unless it is approved by such appropriate State official.



"(b) No Federal assistance shall be given under this Act for any project for an area which is not an eligible area on the date such project is finally approved for assistance by the Secretary administering such assistance, except that if such area shall thereafter cease to be an eligible area, this subsection shall not prevent (1) the furnishing of Federal assistance for the completion of such project, or (2) the granting of additional Federal assistance to such area under this Act to complete the construction or equipment of any highway, hospital, health, educational, sewage treatment, or other facility, with respect to which such project has been approved.

#### "PROGRAM DEVELOPMENT CRITERIA

"SEC. 14. (a) In developing recommendations on the programs and projects to be given assistance under this Act, and in establishing within those recommendations a priority ranking of the requests for Federal assistance, the States shall follow procedures that will insure consideration of the following factors:

"(1) the relationship of the project or class of projects to overall regional development including its location in an area determined by the State to have the greatest potential for growth;

"(2) the population and area to be served by the project or class of projects including the relative per capita income and the unemployment rates in the area;

"(3) the relative financial resources available to the State or political subdivisions or instrumentalities thereof which seek to undertake the project;

"(4) the importance of the project or class of projects in relation to other projects or classes of projects which may be in competition for the same funds;

"(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic and social development of the area served by the project.

"(b) Nothing in this Act shall authorize any assistance under this Act to be used (1) in relocating establishments from one area to another; (2) to finance the cost of industrial plants, commercial facilities, machinery, or working capital; (3) to finance the cost of facilities for the generation, transmission, or distribution of electric energy; or (4) to finance the cost of facilities for the production, transmission, or distribution of gas (natural, manufactured, or mixed).

#### "LOCAL DEVELOPMENT DISTRICTS—CERTIFICATION

"SEC. 15. For the purposes of this Act, a 'local development district' shall be an entity certified to the Secretary of Commerce either by the Governor of the State or States in which such entity is located, or by the State officer designated by the appropriate State law to make such certification, as having a charter or authority that includes the economic development of any eligible area, or areas, or parts thereof. Such charter or authority may also include the economic development of areas outside of an eligible area. No entity shall be certified as a local development district for the purposes of this Act unless it is one of the following:

"(1) a nonprofit incorporated body organized or chartered under the law of the State in which it is located;

"(2) a nonprofit agency or instrumentality of a State or local government;

"(3) a nonprofit agency or instrumentality created through an interstate compact; or

"(4) a nonprofit association or combination of such bodies, agencies, and instrumentalities.

#### "GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS

"SEC. 16. (a) The Secretary of Commerce is authorized—

"(1) to make grants for administrative expenses to local development districts. The amount of any such grant shall not exceed 75 per centum of such expenses attributable to the economic development of eligible areas in any one fiscal year. No grants for administrative expenses shall be made to a local development district for a period in excess of three years beginning on the date the initial grant is made to such development district. The local contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

"(2) either directly or through arrangements with appropriate public or private organizations, to provide funds for investigation, research, studies, and demonstration projects, but not for construction purposes, which will further the purposes of this Act.

"(b) Not to exceed \$11,000,000 of the funds authorized in section 16 of this Act shall be available to carry out this section.

#### "ANNUAL REPORT

"SEC. 17. Not later than six months after the close of each fiscal year, each Secretary of an executive department administering any program under this Act shall prepare and submit to the Governor of each State and to the President, for transmittal to the Congress, a report on the activities carried out under this Act during such year.

#### "AUTHORIZATION OF APPROPRIATIONS

"SEC. 18. In addition to the appropriations authorized in section 3 for the economic development highways, there is hereby authorized to be appropriated for the period ending June 30, 1967, to be available until expended, not to exceed \$195,000,000 to carry out this Act.

#### "APPLICABLE LABOR STANDARDS

"SEC. 19. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting and decorating, of projects, buildings, and works which are financially assisted through the Federal funds authorized under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

#### "DEFINITION OF ELIGIBLE AREA

"SEC. 20. As used in this Act, the term 'eligible area' shall have the same meaning as is given it in section 3(a) of the Public Works Acceleration Act (76 Stat. 541).

#### "SEVERABILITY

"SEC. 21. If any provision of this Act, or the applicability thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

#### "TERMINATION

"SEC. 22. This Act shall cease to be in effect on July 1, 1971."

Mr. JONES of Alabama (during the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with, that the amendment be considered as read, and printed, and be open for amendment at any point.

The CHAIRMAN pro tempore (Mr. Moss). Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The gentleman from Florida [Mr. CRAMER] is recognized.

(Mr. CRAMER asked and was given permission to proceed for 10 additional minutes.)

Mr. CRAMER. Mr. Chairman, we are now getting at the heart of the problem, and a square issue is now facing this body. The issue is simply this: Does this body want to enact a long-range, sound program of public works that will have the effect of providing assistance to all depressed areas throughout this Nation—assistance on a sound basis, assistance in those programs which are properly guarded and protected from being pork barrel political-type approaches, programs which, having a long-range effect on employment, might do some good in the effort to combat unemployment where it probably exists throughout America; or, in the alternative—and this is the alternative—is this body going to rubberstamp what the other body did? Is it going to rubberstamp what a commission appointed by the President to deal solely with the problems of one area—portions of 11 States—proposed by way of a program which is not properly drafted, which can be subject to political pork barrel abuse, the like of which we have not seen before even under ARA and APW?

I previously referred to and repeat again, specifically as an example, under the access highway program there can be built 1,000 miles of highways to any privately owned swimming pool, golf course, ski slide, bathing beach, or what have you, without any standards whatsoever and without any requirement that anyone maintain the highways after they are once built.

Are we going to provide needed, sound assistance to all the areas throughout America, to the 1,400 of such areas in economically depressed areas, or are we going to have assistance on a pork barrel basis, and provide it solely for the Appalachian region?

Are we, as is proposed by the majority and proposed by S. 3, going to provide for socialized medicine by providing for operational costs up to 100 percent for the first 2 years and 50 percent for the next 3 years in the demonstration health facility program, an approach which the committee having jurisdiction over that subject matter refused and turned down only last year?

Those are the basic issues facing this body, as they relate to the Appalachian approach or to the substitute which I am proposing at this time.

Let us discuss the subject and show how the substitute will correct some of the very important shortcomings of the majority proposal. Let us talk about highways for a minute.

Let us talk about the general bill, at the outset. What would the bill do, compared to the substitute? What would S. 3 do, compared to H.R. 4466, the substitute?

First, the substitute would take out the provisions of S. 3 relating to access highways. It would take out the boondoggle approach and put the program under the prescribed primary or secondary standards, which are known and existing



standards. It would provide 10,000 miles of highway, nationwide, not duplicating present highways and not improving present highways, but providing highways to open up new areas where needed and not duplicating the presently existing system of highways.

It also would require the local community or the State to maintain those highways. That has been the procedure of highway legislation throughout the history of this country.

Second, it would delete the operation of demonstration health facilities, an amount of \$28 million which I mentioned a moment ago.

It also would provide that the aid be provided for really depressed areas. Some comments were made with respect to the test for determining what are those areas. I will discuss that in just a moment. Those areas would be included all over America, and not just in Appalachia.

It would strike out the boondoggle program relating to agriculture, which is in the majority report, which will do nothing but put into production additional acreage of grazing lands, at 50 acres per farm. That is the approach of S. 3. The substitute would strike it out.

It also would strike out the commission supergovernment concept. That is not needed. The supergovernment commission concept with the Federal veto power is not needed to accomplish the objectives of this legislation.

If you will look at the substitute measure, I will prove to you that that is the case. If you will look on pages 19, 20, and 21, you will find there that there is a provision for local development districts. In many areas of Appalachia there are in existence development districts. The States in those areas can proclaim the entire Appalachian region in that State as a development district. The Federal Government will provide 75 percent of the first 1 year's operational cost within that region. Those States, as they are proposed, those 11 States, can get together with their districts and have a program planning group act without imposing a layer of super government over the existing agencies in the existing States having a Federal veto. That is the way it should be done. Your existing Government agencies having jurisdiction over every one of these programs would continue to administer it and the States would be the boss of these programs and not the Federal Government with a Federal veto power. So, this substitute does the job as it relates to the Appalachia program and as it relates to applying the good phases of it throughout America.

Now, how about the test mentioned by my distinguished colleague, the gentleman from Minnesota [Mr. BLATNIK], as provided in the APW and ARA bills presently in existence, the same tests that will be applied to depressed areas under the substitute. Certainly the majority here and the gentleman who sponsored the APW could hardly criticize the minority for suggesting that the tests of the depressed areas proposed and

actually effectuated in both of those bills and both of those existing acts is not a proper test for this approach. What are these tests? Well, here they are. Under APW those areas—and I am reading from section 3(a)(1)—which the Secretary of Labor designates each month as having been areas of substantial unemployment for at least 9 months in the preceding 12 months. Those areas designated by the said Secretary under the APW as depressed areas.

The area redevelopment formula is well known and established. The counties are known and the number of counties is kept up to date on a quarterly basis. You get the list in your office on a quarterly basis as to what areas are in and what areas are out. Let us take an example of how the minority improved the proposals made by the majority and how it really makes them long-range programs and not just pork barrel favoritism with short-range objectives.

I cite section 3 of the bill dealing with economic development highways. The highways constitute 76 percent of the bill proposed by the majority and they constitute approximately that much in this bill except that this bill applies nationwide. We are not trying to set up a duplicating system of highways, but we are saying that you should build where they are needed, connecting up with existing systems. You do not have to build a whole new system as they are proposing in Appalachia duplicating existing highways.

Second, we say that they must be built to primary and secondary road standards.

Third, we say there should be an allocation limitation to a given State. During the first 2-year period there should be some formula by which these highways are allocated. Under the majority proposal here they say that this is a 5-year program, but nothing in the bill says so. There is nothing to keep 50 percent or 70 percent of the money from going into one State. There is nothing in the bill to prevent it. Our bill says that the mileage shall constitute not to exceed 5 percent of the total mileage of highways existing on the Federal aid primary system as a test for additional mileage. In addition to that, we provide for a test in our highway section providing that they cannot duplicate existing highways. In section 3 of the bill we provide 3,000 of the 10,000 miles nationwide may be built to secondary standards. In addition, what we do is we take the present concept of highway construction, which has proven itself, and we make those same concepts applicable to this development highway program in areas where they are needed and not on a boondoggle approach without standards and without maintenance requirements and trying to build a whole new system duplicating existing systems.

I had a map here earlier showing that in the State of Pennsylvania every single mile of the development highways proposed under the majority proposal, S. 3, is going to be built along duplicating, existing primary highways. This is not go-

ing to open up new areas for the development of the economy as is suggested by the majority.

In addition to that we provide for demonstration health facilities, in twice the amount of appropriation, \$82 million. We provide timber development organizations; mining area restoration. We put in water resource study. What is going to happen in Appalachia under the water resource study proposal of the majority? They are going to have to go back and restudy all of these surveys presently underway, programs presently authorized. You are not going to speed up the water resource development at all; you are going to slow it down. But under the proposal of the minority you will speed it up with a proper study relating to existing, authorized programs and the advice of Congress, and whatever else is needed.

We provide amendments to the Housing Act. We provide planning funds to these local development districts. That is included in the minority bill.

We provide vocational education facilities in twice the amount—\$32 million. We provide sewage treatment works in twice the amount—\$12 million.

The consent of the States is required. Grants for demonstration expenses of local development districts are provided.

So what we have done is to take those programs that have been properly drafted and which will have a beneficial effect on a long-range basis in all of the depressed, unemployment areas of America and we have said that this should not be one nation divided; that we should not set up one region against another, when we know full well that there are going to be depressed areas left out and not included, areas which have an equal if not worse serious unemployment problem. We should not have our Nation divided against itself, region against region against region.

We say support the minority substitute and we will have one nation indivisible with liberty and with equal treatment and antipoverty assistance where needed for all, and not just for Appalachia.

And I say to you that our bill is going to cost substantially less money because the estimates which are in the RECORD, show that Appalachia alone will cost \$4 billion before you are through with it.

Second, new regions that are being talked about and apparently committed in the other body, according to the record, will cost an additional \$6 billion. So let no one say that our proposal would cost more money. On the face of it it will cost nearly \$100 million less. Our program calls for a 2-year period an amount of \$995 million as compared with \$1,092 million in the majority bill. And this is for one region. This is for only 2 years in the majority proposal. And the new regions coming up are going to increase that cost to a \$10 billion figure.

So, Mr. Chairman, let us not kid ourselves. This is the first of such programs. And you are going to have on



the floor of this House, probably sometime next month, another layer of assistance to these areas. Let us do the job now. Let us do the job right. Let us apply it to all depressed areas in America. Let us not stack one program on top of another program, and on top of another program, and at the same time not do the job. So I say that the substitute, H.R. 4466, is the answer, and I think it should be adopted.

Mr. McCLODY. Mr. Chairman, I congratulate the gentleman from Florida for the careful thought he has given to this subject, and to the distinct contributions made during the debate on this measure, S. 3.

The substitute bill offered as an amendment is a constructive proposal which is both fair and equitable as far as the entire Nation is concerned. It is a clear response to the argument that opposition to the Appalachia bill is obstructionist and negative.

Mr. Chairman, the gentleman from Florida has added to the knowledge and understanding of this broad subject, and this House and the Nation have benefited from the presentation he has made on the debate on this legislation.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

(Mr. WRIGHT (at the request of Mr. EDMONDSON) by unanimous consent was granted permission to proceed for 5 additional minutes.)

Mr. WRIGHT. Mr. Chairman, this bill which comes before us, the Appalachian regional development bill, is the product of 5 long years of careful, meticulous, methodic study on the part of the States, the Governors of the States and their appointed representatives on the Appalachian Commission.

Following those 5 long years of study in which more than 400 people participated in the preparation of the reports, the Public Works Committees of this Congress devoted the better part of last year and the early part of this year to a careful item-by-item consideration of this matter, drafting and perfecting a bill designed specifically to cure the particular evils that have dragged this great highland region of our Nation behind the national average.

Now, at this late date, after all these volumes of testimony, after all the years and months of toil and thoughtful contribution on the part of the bipartisan group of Governors of these States, after the labors of this committee last year and the labors of the committee this year have been completed and the bill has been heard in the other body and passed by a margin of almost 3 to 1, at this late date the minority comes up with a scattergun approach. The minority substitute would have us take these basic programs that were designed specifically to cure the evils which have caused a drag upon Appalachia, and just divide them up and scatter them throughout the country in a willy-nilly or a sort of scattergun approach.

Mr. Chairman, this reminds me of a situation in which a man in a community might be desperately ill. He might have

consulted a physician and the physician after carefully examining him and based upon his long years of practice would have prescribed certain treatments, certain drugs, certain medication designed for the particular cure of the specific malady of the ill man. Yet someone in the community might come and say, "Well, look here, we have got 10 or 15 or 20 fairly sick people throughout this community—some of them have high blood pressure, some of them have low blood pressure, some of them have lumbago and some of them have the flu and some have chickenpox—so let us take this medication that is designed for this man, as prescribed for his ills, and let us just divide this medicine up and give some of it to all of these other sick people in the community."

Mr. Chairman, that would be just about as scientific as the approach proposed by the gentleman from Florida [Mr. CRAMER] that would divide up the programs which were designed to cure the particular maladies and evils of this coal mining, timber producing area and send them willy-nilly throughout the whole country under the premise that it is going to do everybody a little bit of good.

Mr. Chairman, let us consider how this approach would be accepted if applied to other bills. The first bill to be heard yesterday on the Consent Calendar was one modifying the Lake Tarpon project in Florida. The original authorizing legislation for that project allowed some \$1.2 million, if I am not mistaken, of Federal funds for that worthy project. If someone of this House had come up and offered to amend that project so as to divide up the \$1.2 million among all the watersheds of the country that did not have total development, on the ground that we might get one spoonful of dirt moved in each of these watersheds and thus, presumably, do everybody a little bit of good, I wonder what the gentleman from Florida [Mr. CRAMER] would have thought if that approach had been taken on that bill?

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. No, not at this point.

Mr. CRAMER. The gentleman is being a little facetious and has mentioned my name.

Mr. WRIGHT. The gentleman from Florida has had the floor on at least two lengthy occasions today and I did not ask the gentleman to yield to me during his 30-minute speech or during his 15-minute speech. I realize that the comparison is somewhat facetious, but I ask the gentleman just to consider how he might feel if some Member should attempt to amend one of his own projects in the same way he is attempting to amend the Appalachian project.

I wonder what our colleagues from Florida would think if the Four Rivers Basin project of Florida, for which, if I remember correctly, we authorized money to the tune of some \$60 million, had been subject to that approach by somebody in this House who might have said "Let us take that \$60 million and amend the bill, strike out where it says Four Rivers Basin in Florida, and divide that \$60 million up all over the

country and give a little bit to each group that needs water development and improvement." With that much money we perhaps could have moved a whole shovelful of dirt in each watershed, and by the same reasoning, could have done everybody a little bit of good.

I wonder what would be the reaction of the gentleman from Florida when the Cross-Florida Barge Canal was authorized to the tune of some \$200 million, if someone on the floor of the House had moved to amend that bill said "Let us use this for canals all over the country; we can build 2 miles of canal in each State of the Union, and in that way we will be giving everybody a little bit of good."

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Massachusetts, our distinguished Speaker.

Mr. McCORMACK. I am sure if any Member of the House rose and said any of those projects were pork barrel the gentleman from Florida [Mr. CRAMER], would rise in indignation to refute such a charge.

Mr. WRIGHT. I share the certainty of the Speaker's assertion.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. The gentleman from Texas in his very appropriate remarks has not mentioned the granddaddy of them all, the one referred to by the gentleman from Florida several times as a reclamation program. It is described in the authorizing legislation as the central and southern Florida flood control and drainage project, with an estimated cost of \$263 million.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from California.

Mr. YOUNGER. I have listened with a great deal of interest to the gentleman from Texas, but I cannot correlate his present remarks with his bill to reduce the national debt 1 percent a year. Where does that come in?

Mr. WRIGHT. The bill to reduce the national debt by 1 percent a year was introduced by me some 6 or 7 years ago, and I am still waiting for a hearing on that bill before the appropriate committee. I would say, however, in specific connection with reduction in debt that this particular bill, the Appalachian regional development bill, is designed to make taxpayers out of people who heretofore have been tax liabilities. To that extent, it might have some bearing on the Federal debt. It is designed with the specific motive of helping this particular region which in history and justice is entitled to our consideration, a region which has helped to pay for the Cross-Florida Barge Canal, which has helped to pay for the reclamation program in 17 Western States, which has helped to pay the \$7 billion which we paid in wheat subsidies in the last 4 years, and which has not shared in those programs. I



say it is time we address ourselves to this crucial problem in this crucial region in which 8.5 percent of the population has received only 4.9 percent of the Federal tax appropriations.

The Members from the Appalachian region did not come before us when we had programs exclusively affecting the other regions of America and say "We want to divide up that money and share it with all the country." They did not do that when those programs affected California or when those programs would enure to the benefit of Florida or any of the rest of our areas. Did the Members from Appalachia come before us during consideration of any of those programs and want to add an amendment to divide it up all willy-nilly on a scattergun basis, on the theory that maybe it will do everybody a little bit of good? They did not do that. They deserve better treatment than that at this time in the House.

Mr. Chairman, this is not a giveaway program; this is not boondoggling, in spite of the glib insinuations cast around and the occasional use of the term "pork barrel," which I believe must be defined by some as applying to everything which does not benefit one's own district. In spite of those terms so loosely tossed around, this bill is built upon the premise of helping to provide only the basic structure of roads, communications, and vocational schools necessary to permit that region to pull itself up by its own bootstraps.

The purpose of this bill is not to give a job to everybody, although some 50,000 man-years of work will be provided in the road program to bring prosperity to this remote region. The purpose is not to provide public jobs. The purpose is to provide stimulation for the private sector to take over. It is not the same basic approach as that of the Accelerated Public Works or the Area Redevelopment Act, or that of the poverty program which sought to alleviate personal need. It is an Appalachia-made program designed for the needs of this particular area. It has come to the Congress for that purpose. It is difficult for me to believe that the minority would support that substitute if it were the only bill before us.

Mr. CLEVELAND. Mr. Chairman, I rise in support of the amendment. I recognize the gentleman from Florida.

Mr. CRAMER. Mr. Chairman, I am sure my distinguished colleague from Texas, having been on the committee a long time, for we came to the Congress together and served on this committee during the entire period, must have felt rather facetious relating to the local public work projects, for most of the projects are available throughout America to any community that can meet the requirements. I am sure he was not directing his remarks to the billion-dollar Trinity River program in his home community. What we say in our approach is that when you are building highways to help unemployment they should be available to all areas to meet the standards of employment, and they should be highways built to certain standards and they should be maintained, and they

should not be built to swimming pools or ski slides, but rather the public should have a long-range employment effect. That is what we are saying. I am sure the gentleman was talking with his tongue in his cheek.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I will not yield, as the gentleman did not yield earlier.

Yesterday the gentleman from Texas [Mr. WRIGHT] invoked history and histrionics, as he was trying to make the point that this bill is not discriminatory and preferential. Today he invokes humor and sarcasm. No matter how he slices it, this bill is preferential.

To those who were not on the floor yesterday, I quote to you from the record of our hearings available at either door, for you to read at page 42 and make a mental note of this, for you will have to answer for this in the future.

When the administration witness, the man who probably is going to be charged with the administration of this important legislation, was asked about this he said:

Yes, sir. I think we ought to speak frankly. The name of the Appalachian game is preferential treatment.

That is why you have histrionics, that is why you have history invoked. That is why you have an attempt to dismiss the preferential charge with humor and sarcasm.

The reason this legislation is preferential is that it is taking Federal tax dollars and building roads, building vocational schools, building libraries, building hospitals and operating hospitals, and building sewage plants and other community facilities in these communities, not just in poor communities in Appalachia but prosperous industrial communities, the Pittsburghs, the Knoxville, the Spartansburgs, and the Huntsvilles.

You are taking Federal tax dollars and building up those communities to lure new industry to those areas. The new industry that comes to those areas has to come from other places in direct and unfair competition with communities all over this country, communities in my district and in your district, where the chambers of commerce and local and State organizations are breaking their backs to get more industry and to create a more favorable economic climate.

That is why we say this is unfair. That is why the official in charge of operating this thing admits that the name of the game, and this is a great game, is preferential treatment. That is why I have referred to this legislation in my additional views as essentially an act of piracy—job piracy and industrial piracy.

This is why I support the Republican substitute under the provisions of which all disadvantaged areas in the Nation would be equally assisted.

Mr. EDMONDSON. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. Chairman, I believe very little needs to be added to what has been said by the gentleman from Texas in response to the arguments for the substitute being proposed here today. It seems note-

worthy that of the membership of the committee on the other side of the aisle that only five of the members of the committee chose to associate themselves in the sponsorship of this substitute. I think the others of the opposition recognized the basic inconsistencies that are inherent in the position which is taken by the supporters of this substitute.

Here are a group of Members of this body who have been very critical of the program of accelerated public works from the very start, who have been very critical of the idea of having an ARA or of designating depressed areas in the first place. Yet, they want us to substitute for this carefully prepared piece of legislation a hodgepodge that is based in its entirety upon the concept of depressed areas within counties all over the country, and on the accelerated public works designation of eligible areas for accelerated public works. They want to go back to the very program that they have derided so continuously and opposed on the floor of this House.

I personally supported the accelerated public works program as did most of us in this Chamber. I supported area redevelopment. I thought the program had great promise for the future and I think it did a great deal more good than the gentlemen on the other side are prepared to admit. Also I think the majorities that were registered last November may be some measure of what the people of the United States think about these programs and their successful operation.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I am glad to yield to the gentleman from Louisiana.

Mr. WILLIS. Do I properly understand from what the gentleman said a while ago that the committee did study this problem and had an opportunity to choose between the majority version and the substitute proposal, and that that was acted upon in committee?

Mr. EDMONDSON. The substitute was offered in the committee. The substitute did not even get unanimous support on the other side. As a matter of fact, if you will look at the report on page 75, you will find only five members of the committee from the other side endorsed this substitute. Yet, they are asking us to replace this major piece of legislation with that substitute here today.

Now what we have in the Appalachia bill is an attempt on the part of the Congress and on the part of this administration to use a rifle and to use it with effectiveness in a portion of this country that has lagged in certain basic requirements for growth for many, many years. And above all other deficiencies, the highway network is the major deficiency. That is recognized in this legislation and we put the major emphasis in our bill upon correction of that shortcoming in the Appalachia region.

Now instead of using a rifle and zeroing in on the basic shortcomings of the Appalachian region, the gentlemen on the other side would like for us to take a pop gun and take the ammunition and fire all over the country and ignore the basic structural weaknesses that are present in the Appalachian region which



have prevented it from competing successfully with other parts of the country in terms of industrial growth.

We say to you that President Kennedy in supporting this legislation at the outset, our late and great beloved President, President Kennedy, in giving it his blessing from the start, and the great man who today leads this Nation as President, President Johnson, have both come to the very heart of the matter in telling us that we must get at the cause for the lag in growth in this area; that we must strike directly at that cause by correcting these basic deficiencies in the highway system that exist down there, and by improving the public facilities that must be upgraded if we are going to have a land of opportunity in Appalachia.

That is what we are trying to do in this bill. That is what a majority of the committee and several members on the other side of the committee agreed with us should be done. That is what we hope you will do by voting down the substitute offered by the gentleman from Florida.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Oklahoma.

Mr. BELCHER. I would say to my good colleague from Oklahoma that I do not care to get into an argument, but we had a good friend in Oklahoma by the name of Senator Kerr, and I heard him say at one time that he was against any conspiracy in the world that he was not in on.

Mr. EDMONDSON. I believe he used the word "combine."

Mr. BELCHER. My understanding is that all the Republicans who were not in on this bill voted against it and all the Republicans who were in on it voted for it. Is that a correct understanding?

Mr. EDMONDSON. I would say that the difference between the Republicans and the Democrats may be highlighted by that, then, because the Democrats supported this bill unanimously in the committee.

Mr. BELCHER. As I understand it, the gentleman from Oklahoma supports it, although none of his 17 counties that are on relief are in on it; is that correct?

Mr. EDMONDSON. The gentleman is correct in that, but I would like to say to the gentleman, with all respect, if he wishes to ascribe that motive to his party's members, as to their reason for supporting this bill, he is at liberty to do it. I would not do it. We thought to a man on the Democratic side of the committee that this was good legislation, and we are very proud to support it unanimously.

Mr. GERALD R. FORD. Mr. Chairman, I move to strike the requisite number of words.

(Mr. GERALD R. FORD asked and was given permission to revise and extend his remarks.)

Mr. GERALD R. FORD. Mr. Chairman, at the outset I want to say that I approached this legislation with an open mind. I had no prejudice. I read the Senate committee report. I read the debate on the other side of the Capitol.

I noted, with some considerable interest, how my Republican colleagues on

the other side of the Capitol voted. There was some Republican support. There were some ranking members of the Republican Party on the other side of the Capitol who did support this legislation.

However, when I had an opportunity to examine S. 3 and see what transpired in the committee—the lack of adequate hearings, the complete rejection of any perfecting amendments offered by the minority, and, as a matter of fact, the complete rejection of any amendment to the bill approved by the other body—I began to have some questions about the merit of the bill before us.

I believe it is a legitimate question to ask whether we here should purely rubber stamp without change, without deviation, a piece of legislation approved on the other side of the Capitol. It seems to me we have enough ability and sufficient talent to improve a piece of legislation which comes to us from the other side of the Capitol.

After reading the minority views, which begin on page 33, and the additional views, which appear subsequent, I have become absolutely convinced that this legislation is basically unsound and that the substitute is a far preferable piece of legislation.

My good friend the gentleman from Texas, in very clever ridicule, pointed his finger and said that this bill, S. 3, was drafted for the purpose of hitting at a specific problem in a certain geographic area, that it was a specific medical remedy and had applicability only to this particular area of the country. As he said that—and it sounded rather persuasive—I wondered when these additional counties in Alabama, New York, and Ohio became so ill that they had to get this particular, this specific medicine, this political prescription.

These few counties in these States have been added rather recently, and it might have something to do with politics and only politics. Yes, this bill is not tailored to any particular area. It is legislation that is a one-shot proposition for one area with the promise that we are to have one, two, three, or perhaps four more additional similar proposals which will cover other geographical regions.

I rather doubt that the basic provisions in those subsequent bills affecting other geographic areas will be any different. I doubt whether those other proposals which will add more and more and more in dollar expenditures will do anything different to those areas than this bill will do to this one.

S. 3, is full of paradoxes. We have counties included here that under no recognized criteria are eligible for any aid on the basis of being distressed economically or otherwise.

Another paradox of this legislation is that we complicate further, not resolve, the problems of agriculture. I have read and reread the President's speech on agriculture. He deplores what is happening to us. Costs to the taxpayers are going up and our farmers are not getting adequate benefits. American agriculture is being strangled by bureaucratic redtape. Still there are pro-

visions in this legislation which just add to and compound the problem that we are trying to solve in a rather inadequate way in the field of agriculture.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent, Mr. GERALD R. FORD (at the request of Mr. CRAMER) was given permission to proceed for an additional 5 minutes.)

Mr. GERALD R. FORD. What also bothers me about this legislation is that we are asked to approve of certain provisions in this bill that on their own, coming from the committee which has basic jurisdiction, would not get approval in this body and certainly could not get approval from the Congress as a whole.

As I look at the flexibility that is included in this legislation, flexibility as to geography, flexibility as to the formula for the granting of aid or the qualification of those areas, I have a sneaking suspicion that there may be something other than merit involved in the legislation. It may be a product of politics, as has been so ably set forth in the minority views.

I wish to compliment, by the way, the members of the minority on this committee, those that wrote the minority views and those that wrote the additional views. I think this is an excellent job that they have done, and any unbiased and unprejudiced person who took the time and made the effort to examine the majority and the minority views could only come to the conclusion that this bill is unsound and is unworthy of our consideration.

One of the points that have been well brought out and one which I think is fundamental is that this bill is discriminatory. In addition, this bill, even on its own, within the confines of its own pages, will cost more than the substitute. In addition to that, if you add this bill for this region to another bill for another region and another bill for a following region and another bill for a still further region, the cost of the majority viewpoint will skyrocket.

So I say that on the basis of economy the substitute is the bill which we on our side ought to vote for and the bill on our side that we should support. Yes, the substitute cleans up the legislation recommended by the majority. Our bill is a one-shot proposition. I think it will cost less and it will retain those constructive programs that have been recommended by the majority.

The substitute deletes those programs that cannot be justified on the basis of any hearings, any factual information and fundamentally, perhaps even more important, the substitute proposal uses the existing administrative facilities in the Federal Government; it uses the administrative agencies in the State governments and utilizes, as we advocate, the administrative organizations on the local government level. If we believe in what we say on our side we should support the substitute. The substitute is a partnership between the Federal Government, the State government, and local governments, and I believe very strongly that we ought to support the substitute recom-



mended by the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. GERALD R. FORD. I yield.

Mr. CRAMER. Mr. Chairman, the suggestion was made by the gentleman from Texas that this is a program tailored to Appalachia. I wonder what examples could be cited that would indicate that development roads can be tailored to one area and not another area throughout America. I wonder what examples could be cited that sewage treatment works have application solely to the Appalachian region or that water resource studies have application solely to the Appalachia region? Also, the same with respect to timber development, demonstration health facilities and all these programs that presently have nationwide application. How in the world can anybody legitimately argue that because they are limited in application in their bill that they should not have equal application or even better application nationwide as provided in the substitute, when they are mostly existing programs, in being, nationwide in application and are just being increased in this proposal?

Mr. GERALD R. FORD. And if the majority comes up with other proposals for other regions you will have skyrocketing costs.

And so, when we look at the administrative side, the dollar side and the overall approach it seems to me that we ought to vote for the substitute.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The question was taken; and on a division (demanded by Mr. CRAMER) there were—ayes 65, noes 152.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read.

Mr. JONES of Alabama (interrupting reading of bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

Mr. CRAMER. Mr. Chairman, reserving the right to object—and I would not object I will say to the gentleman from Alabama—if adequate assurance is given that the corrective amendments that we believe are meritorious on our side will be given an adequate opportunity to be considered; that is, that a motion to cut off debate will not be made. Otherwise, I will have to object to considering the bill as read in order to protect our rights.

Mr. JONES of Alabama. I do not know who is going to be the judge as to how long an adequate time would be. I believe the gentleman knows that I will object to prolonged discussion and unnecessary discussion. But, certainly, as long as the time is reasonable, of course, I am not going to object.

Mr. CRAMER. Mr. Chairman, further reserving the right to object, the minority has some 13 or 14 amendments at the Clerk's desk. My interest in this is to make certain that opportunity is available to offer any of those amendments desired by the minority and that

there will be no effort to cut off such amendments. With that assurance, I would not object, but without it I would have to object.

Mr. JONES. What does the gentleman mean by "cut off"?

Mr. CRAMER. The gentleman can move to cut off debate at any time.

Mr. JONES of Alabama. The gentleman knows the rules, that any Member can offer an amendment.

Mr. CRAMER. The gentleman can cut off the debate on the amendments and on the entire bill if he wishes to do so by a vote. The only protection we have is through refusing to agree to having the bill considered as read.

Mr. JONES of Alabama. I could not prevent of member of the committee from making such a request. However, certainly, I will do everything I can to see that ample time is permitted for a discussion of the amendments.

Mr. CRAMER. Mr. Chairman, I have been involved in these types of procedures for some time and there have been many instances in which the minority was cut off. Without adequate assurance, I would be constrained to object.

Mr. JONES of Alabama. Those who have dealt with me know that I will assure the gentleman of reasonable time on each amendment.

Mr. GERALD R. FORD. Mr. Chairman, further reserving the right to object, may I make a suggestion to the gentleman from Alabama? Why do we not read just a paragraph or two and have an amendment or two until we might be able to see just what the schedule may be.

Mr. JONES of Alabama. Mr. Chairman, I withdraw my request.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### FINDINGS AND STATEMENT OF PURPOSE

SEC. 2. The Congress hereby finds and declares that the Appalachian region of the United States, while abundant in natural resources and rich in potential, lags behind the rest of the Nation in its economic growth and that its people have not shared properly in the Nation's prosperity. The region's uneven past development, with its historical reliance on a few basic industries and a marginal agriculture, has failed to provide the economic base that is a vital prerequisite for vigorous, self-sustaining growth. The State and local governments and the people of the region understand their problems and have been working and will continue to work purposefully toward their solution. The Congress recognizes the comprehensive report of the President's Appalachian Regional Commission documenting these findings and concludes that regionwide development is feasible, desirable, and urgently needed. It is, therefore, the purpose of this Act to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis. The public investments made in the region under this Act shall be concentrated in areas where there is a significant potential for future growth, and where the expected return on public dollars invested will be the greatest. The States will be responsible for recommending local and State projects, within their borders, which will re-

ceive assistance under this Act. As the region obtains the needed physical and transportation facilities and develops its human resources, the Congress expects that the region will generate a diversified industry, and that the region will then be able to support itself, through the workings of a strengthened free enterprise economy.

#### TITLE I—THE APPALACHIAN REGIONAL COMMISSION

##### Membership and voting

SEC. 101. (a) There is hereby established an Appalachian Regional Commission (hereinafter referred to as the "Commission") which shall be composed of one Federal member, hereinafter referred to as the "Federal Cochairman", appointed by the President by and with the advice and consent of the Senate, and one member from each participating State in the Appalachian region. The Federal Cochairman shall be one of the two Cochairmen of the Commission. Each State member may be the Governor, or his designee, or such other person as may be provided by the law of the State which he represents. The State members of the Commission shall elect a Cochairman of the Commission from among their number.

(b) Except as provided in section 105, decisions by the Commission shall require the affirmative vote of the Federal Cochairman and of a majority of the State members (exclusive of members representing States delinquent under section 105). In matters coming before the Commission, the Federal Cochairman shall, to the extent practicable, consult with the Federal departments and agencies having an interest in the subject matter.

(c) Each State member shall have an alternate, appointed by the Governor or as otherwise may be provided by the law of the State which he represents. The President, by and with the advice and consent of the Senate, shall appoint an alternate for the Federal Cochairman. An alternate shall vote in the event of the absence, death, disability, removal, or resignation of the State or Federal representative for which he is an alternate.

(d) The Federal Cochairman shall be compensated by the Federal Government at level IV of the Federal Executive Salary Schedule of the Federal Executive Salary Act of 1964. His alternate shall be compensated by the Federal Government at not to exceed the maximum scheduled rate for grade GS-18 of the Classification Act of 1949, as amended, and when not actively serving as an alternate for the Federal Cochairman shall perform such functions and duties as are delegated to him by the Federal Cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by the law of such State.

#### AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: On page 3, lines 21 and 22, strike out "the Federal Cochairman and of a majority of the State members" and insert in lieu thereof the following: "a majority of the members of the Commission".

Mr. CRAMER. Mr. Chairman, let me say at the outset it is not going to be the intention on our side to delay this legislation inordinantly. I would expect we will be able to complete voting on the measure, so far as our side is concerned, by tomorrow.

With reference to the specific amendment at hand, this deals with one of the issues we think is paramount in this legislation, and I address myself to those who pride themselves on believing that



the States should be the one to make the decisions relating to this program, those who believe in State's rights, if you please.

In this instance, as the bill is presently drafted, the Federal representative, as stated in the minority views, has an absolute veto over any program and over any project. This Commission is made up of 11 members from the States and 1 Federal representative. The affirmative vote of the Federal representative is required for any project, let alone any proposed program.

This is unprecedented, as it relates to the operation of interstate commissions. We have gone the full circle now in dealing with interstate commissions.

When I first came to Congress 11 years ago they would not permit a Federal representative to serve on such commissions when these interstate compacts were proposed. The members of the Committee on the Judiciary will remember that. Subsequently, Federal members were permitted to serve on the commission, and participate in making decisions with the State. Then the New England compact came before the House, which gave the Federal representative a vote in addition to being a member.

Now we have gone the full turn, and we find the proposition that the Federal representative not only has a vote, not only will be a member of the 12-member Commission, but will have absolute, unquestioned veto power, even if 11 State members of the Commission say otherwise, on a given program or a given project.

Admittedly, and this argument is apt to be made, only with individual State consent can programs and projects be approved and go into effect. But suppose 11 States want a highway located between certain terminal points on a given location—11 States vote "Yes." The Federal representative can vote "No." It does not matter how badly the States want it or what the merits are, the Federal representative's decision is final and absolute. This is what the bill says on page 3, line 20:

Except as provided in section 105—

This deals with delinquency of dues for paying of administrative costs—decisions by the Commission shall require the affirmative vote of the Federal Cochairman—

They start out by making him Cochairman, then they give him complete control by giving him a veto power— and of a majority of the State members.

What does our amendment do? Our amendment puts this Commission in proper focus. It permits the Federal representative to have the same vote, as a Commission member, as do the State members. Who can oppose that, who believes each State ought to have an equal voice on this program? You are going to be outvoted 11 to 1 otherwise by the Federal representative if he chooses to veto and say "No."

That relates to every program in the bill. That relates to your demonstration hospital facilities, which presently are handled under the Hill-Burton Act.

The States decide the priority. They decide when a hospital is deserving and is good enough to get top priority. Under S. 3, the Federal representative may say, "I do not agree with that. I do not think that hospital should be located where you say it should, that it should have the equipment you, the State, says it should have." Veto. It is almost as bad as the Security Council in the U. N., where Russia has the veto.

We, in our substitute bill, are not setting up a Commission where the Federal representative has an absolute veto no matter what the merits, no matter how favorably the entire State membership may act on this legislation. What our amendment does is state that a majority of the members of the Commission should control, that an affirmative vote shall be required giving the Federal representative an equal but not a superior vote.

Mr. EDMONDSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I oppose this amendment and hope that the Committee of the Whole will do the same thing that the Committee on Public Works did when it was presented in the Committee, and that is, vote it down and vote it down decisively. The pending amendment would reduce the voting power of the Federal Cochairman and actually destroy, I think, almost completely the effectiveness of the Federal Government in serving as an arbitrator and serving as an effective cochairman of the commission, that has to agree on the policies that have to be followed. This commission is not an operating agency, it is basically a policymaking agency. You have to remember when you evaluate the role of the Federal Government in it that we are talking about a program in which the Federal Government is going to put up from 50 to 80 percent of the money. The gentleman from Florida would like to reduce the voting strength of the Federal Government in determining how that 50 to 80 percent of the money is going to be spent from the 50 percent which we have today in the bill as it now reads to about 4.5 percent. That certainly would be inequitable in protecting the Federal Government's interest.

If we adopt the amendment proposed by the gentleman from Florida there would be absolutely nothing to prevent a group of the States, six or seven of the States, from getting together and looking at their own interests rather than the overall interests of the entire Appalachian region, and setting up the policies and setting up the programs to channel practically all of the money into their area.

Now the Federal cochairman sitting there with the veto which he has in this bill prevents that from taking place and assures equity between the States. I am quite sure that the gentleman from Florida is not always against the principle of having the Federal Government having a veto either because just a few minutes ago he asked us to adopt a substitute. The substitute is the bill, H.R. 4466, which says on page 4, describing the new development highways which he proposes that we set up and spend \$800

million on—he says the Secretary, and he is talking about the Secretary of Commerce, shall have authority to approve in whole or in part the recommendations of the State highway department or to require modifications or revisions thereof.

Now if that is not a veto that goes just as far as anything that is in this bill, I would like to see something that is. The gentleman from Florida is in favor of a veto when he proposes a program like his development highway program. He recognizes that it would not work practically and protect the interest of the States unless the Federal Government putting up most of the money had the right to say no when a proposal was advanced that did coincide with the national interest.

That is what the bill, as it is presently written, provides for. You have a veto insofar as the State is concerned. You have a double veto in the fact that any Governor can veto a program operating within his own State.

Then you have the Federal Government sitting there with its Federal Cochairman with the right to veto a program or a policy determination if he feels it is not in the national interest.

That assures a working partnership that recognizes both National and State interests. With this working double partnership, we submit it is possible to correct the basic deficiencies in the Appalachia region and to supply the basis for solid growth in the future.

Do not destroy that effective working relationship that is created by this bill by adopting the amendment that has been offered by the gentleman from Florida.

Mr. CEDERBERG. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if there is one part of this bill that disturbs me, and there are many parts, it is this Federal czar operation that we are talking about. Unless this amendment is adopted, I foresee, looking down the road 1 year, 2 years or 10 years—five, six, seven and possibly eight regions of this type around the country with a Federal czar over each region and the States that are participating in each region will be under the sole jurisdiction of this czar. In a program as broad in scope as this, covering medical care, schools, roads and so forth in which there are duplicating programs already in existence in this area and on which admittedly there must be some coordination between these programs, you are going to have a Federal czar who has a veto power over the States that are a part of this area organization and then I think we will have gone a long way down the road to Federal control and doing away with States rights and the rights of local communities. I would think this would be the last thing the Members of Congress would want to do. Certainly, I could never support any legislation regardless of its merits, when that legislation contains as dangerous a provision as this. I think we certainly ought to look at this one real hard—forget the merits, forget your opinion as to the contents of the bill—but without this amendment I believe this provision will come back to haunt us in future years and we will



regret the day that we set up these Federal czars around the country.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Florida.

Mr. CRAMER. Reference was made to the position of the minority on H.R. 4466. I am sure the gentleman from Oklahoma [Mr. EDMONDSON] fully knows that the wording with regard to highways in the section is precisely the same as is in existence under present law. I am sure the gentleman further knows that if there is a program in America under which the State-Federal partnership—and I stress “partnership”—has worked and worked admirably, it has been the highway program.

The language used in the substitute is precisely that of the existing law.

The substitute also struck out the veto power of the Federal czar.

I believe the gentleman is absolutely right in pinpointing, as we have attempted to do, that this is one of the major weaknesses, permitting the Federal Government to have an absolute veto power over all programs of all kinds, relating to priorities, relating to where a given hospital or a given sewage disposal plant is to be constructed. There is to be an absolute veto power in the hands of one man.

This is a duplication. This is a second layer. Naturally, there must be approval of the various agencies under which these programs are administered, but they also want a veto power in the Commission by a Federal czar with an absolute right in the Federal Government, and that will go a long way toward destroying States rights.

Mr. CEDERBERG. Another thing that disturbed me was the implication in the remarks of the gentleman from Oklahoma [Mr. EDMONDSON] that States may not be able to get together under this program. He said that six or seven States might decide they want to go one way and could vote as majority to do so. I am not ready to believe that the States involved in an organization of this type, interested in the development of an area—as is said, the Appalachian area—would do anything like that. We have seen the Governors of the various States get together many times.

Are you going to tell us that some States will go their own way, will work politically to try to get a majority to go one way, and that a minority will have to take what the majority decides; and, to prevent such from occurring, you want to have a Federal czar? He is going to say, “I am sorry, but we have a difference of opinion here. Majority vote no longer prevails.” We will have one man. He will tell us whether it is any good. If he thinks it is, that is all right, but if he does not, the view of the Federal czar will prevail. I believe that is wrong.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I thank the gentleman for yielding.

If the gentleman is practical, I believe he will realize that this possibility would be present if we do not preserve the right of the Federal Cochairman, just as we

have preserved the right of the Federal Government in our highway program to prevent a State from putting a Federal highway where the Federal Government does not want it. The gentleman from Florida recognized that in his development highway program.

Mr. CEDERBERG. There is a lot of difference between the highway program, which has interconnections with various States and is interstate in operation. That has nothing to do with a sewage disposal plant or a vocational school. Those are local in nature.

It is far more dangerous to have a Federal czar who can say, “You cannot do this, or must do it my way,” rather than to have the States among themselves decide how it must be done.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The question was taken; and on a division (demanded by Mr. CRAMER) there were—ayes 66, noes 118.

So the amendment was rejected.

The Clerk read as follows:

#### *Functions of the Commission*

SEC. 102. In carrying out the purposes of this Act, the Commission shall—

(1) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

(2) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

(3) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region;

(4) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation;

(5) encourage the formation of local development districts;

(6) encourage private investment in industrial, commercial, and recreational projects;

(7) serve as a focal point and coordinating unit for Appalachian programs;

(8) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences; and

(9) advise the Secretary of Commerce on applications for grants for administrative expenses to local development districts.

#### *Recommendations*

SEC. 103. The Commission may, from time to time, make recommendations to the President and to the State Governors and appropriate local officials with respect to—

(1) the expenditure of funds by Federal, State, and local departments and agencies in the region in the fields of natural resources, agriculture, education, training, health and welfare, and other fields related to the purposes of this Act; and

(2) such additional Federal, State, and local legislation or administrative actions as the Commission deems necessary to further the purposes of this Act.

#### *Liaison between Federal Government and the Commission*

SEC. 104. The President shall provide effective and continuing liaison between the Federal Government and the Commission and a

coordinated review within the Federal Government of the plans and recommendations submitted by the Commission pursuant to sections 102 and 103.

#### *Administrative expenses of the Commission*

SEC. 105. (a) For the period ending on June 30 of the second full Federal fiscal year following the date of enactment of this Act, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid equally by the Federal Government and the States in the region. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

(b) Not to exceed \$2,200,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### *Administrative powers of Commission*

SEC. 106. To carry out its duties under this Act, the Commission is authorized to—

(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions;

(2) appoint and fix the compensation of an executive director and such other personnel as may be necessary to enable the Commission to carry out its functions, except that such compensation shall not exceed the salary of the alternate to the Federal Cochairman on the Commission as provided in section 101. No member, alternate, officer, or employee of the Commission, other than the Federal Cochairman on the Commission, his staff, and his alternate and Federal employees detailed to the Commission under paragraph (3) shall be deemed a Federal employee for any purpose;

(3) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the Commission such personnel within his administrative jurisdiction as the Commission may need for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status;

(4) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency;

(5) make arrangements, including contracts, with any participating State government for inclusion in a suitable retirement and employee benefit system of such of its personnel as may not be eligible for, or continue in, another governmental retirement or employee benefit system, or otherwise provide for such coverage of its personnel. The Civil Service Commission of the United States is authorized to contract with the Commission for continued coverage of Commission employees, who at date of Commission employment are Federal employees, in the retirement program and other employee benefit programs of the Federal Government.

(6) accept, use, and dispose of gifts or donations of services or property, real, personal, or mixed, tangible or intangible.

(7) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

(8) maintain a temporary office in the District of Columbia and establish a permanent office at such a central and appropriate lo-



cation as it may select and field offices at such other places as it may deem appropriate.

(9) take such other actions and incur such other expenses as may be necessary or appropriate.

#### Information

SEC. 107. In order to obtain information needed to carry out its duties, the Commission shall—

(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable, a Cochairman of the Commission, or any member of the Commission designated by the Commission for the purpose, being hereby authorized to administer oaths when it is determined by the Commission that testimony shall be taken or evidence received under oath;

(2) arrange for the head of any Federal, State, or local department or agency (who is hereby so authorized to the extent not otherwise prohibited by law) to furnish to the Commission such information as may be available to or procurable by such department or agency; and

(3) keep accurate and complete records of its doings and transactions which shall be made available for public inspection, and for the purpose of audit and examination by the Comptroller General or his duly authorized representatives.

#### Personal financial interests

SEC. 108. (a) Except as permitted by subsection (b) hereof, no State member or alternate and no officer or employee of the Commission shall participate personally and substantially as member, alternate, officer, or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization (other than a State or political subdivision thereof) in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Any person who shall violate the provisions of this subsection shall be fined not more than \$10,000, or imprisoned not more than two years, or both.

(b) Subsection (a) hereof shall not apply if, the State member, alternate, officer, or employee first advises the Commission of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by the Commission that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Commission may expect from such State member, alternate, officer, or employee.

(c) No State member or alternate shall receive any salary, or any contribution to or supplementation of salary for his services on the Commission from any source other than his State. No person detailed to serve the Commission under authority of paragraph (4) of section 106 shall receive any salary or any contribution to or supplementation of salary for his services on the Commission from any source other than the State, local, or intergovernmental department or agency from which he was detailed or from the Commission. Any person who shall violate the provisions of this subsection shall be fined not more than \$5,000, or imprisoned not more than one year, or both.

(d) Notwithstanding any other subsection of this section, the Federal Cochairman and his alternate on the Commission and any Federal officers or employees detailed to duty with it pursuant to paragraph (3) of section 106 shall not be subject to any such subsection but shall remain subject to sections 202 through 209 of title 18, United States Code.

(e) The Commission may, in its discretion, declare void and rescind any contract, loan, or grant of or by the Commission in relation to which it finds that there has been a violation of subsection (a) or (c) of this section, or any of the provisions of sections 202 through 209, title 18, United States Code.

Mr. JONES of Alabama (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. CRAMER. Mr. Chairman, reserving the right to object, has the gentleman had a discussion with the minority leader with regard to any ground rules relating to debate on amendments that would justify making the motion?

Mr. JONES of Alabama. I suppose that I can make that request in every section of the bill. There is no disposition on this side to cut off debate.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the distinguished minority leader.

Mr. GERALD R. FORD. It is my general impression that we are doing real well timewise. There is no disposition on our part to filibuster or create any time problems. If we could just continue and get some of these amendments out of the way, I think we will make some good progress.

Mr. JONES of Alabama. Mr. Chairman, I withdraw my unanimous-consent request.

Mr. CRAMER. Mr. Chairman, I ask unanimous consent that title I be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Are there any amendments to title I? If not, the Clerk will read title II.

The Clerk read as follows:

#### TITLE II—SPECIAL APPALACHIAN PROGRAMS

##### Part A—New programs

#### Appalachian Development Highway System

SEC. 201. (a) The Secretary of Commerce (hereafter in this section referred to as the "Secretary") is authorized to assist in the construction of an Appalachian development highway system serving the Appalachian region (the length of which shall not exceed two thousand three hundred and fifty miles. In addition thereto, there are authorized to be constructed not in excess of one thousand miles of local access roads, that will serve specific recreational, residential, commercial, industrial, or other like facilities or will facilitate a school consolidation program). The system, in conjunction with the Interstate System and other Federal-aid highways in the region will provide a highway system which will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access. The provisions of title 23, United

States Code, that are applicable to Federal-aid primary highways, and which the Secretary determines are not inconsistent with this Act, shall apply to the Appalachian development highway system, and the local access roads.

(b) As soon as feasible, the Commission shall submit to the Secretary its recommendations with respect to (1) the general corridor location and termini of the development highways, (2) the designation of local access roads to be constructed, (3) priorities for construction of the local access roads and of the major segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such recommendations, he shall have obtained the recommendations of the State highway department of the State which he represents.

(c) The Secretary shall have authority to approve in whole or in part such recommendations or to require modifications or revisions thereof. In no event shall the Secretary approve any recommendations for any construction which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriation authorizations in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and shall be required to be maintained by the State.

(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of mineral resource materials indigenous to the Appalachian region.

(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Secretary determines, pursuant to the recommendation of the Commission, that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

(g) To carry out this section, there is hereby authorized to be appropriated \$840,000,000.

Mr. JONES of Alabama (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that title II be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. CRAMER. Mr. Chairman, reserving the right to object, does the gentleman wish to amend his motion to make it relate to section 201? I have no objection to that request but not to the request with respect to the title.

Mr. JONES of Alabama. I amend my request to apply to section 201.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

#### AMENDMENT OFFERED BY MR. BALDWIN

Mr. BALDWIN. Mr. Chairman, I offer an amendment to title II, section 201, which applies to several different paragraphs in the title, and I ask unani-



mous consent that it be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. BALDWIN:

On page 13, line 13, strike out the parenthesis.

On page 13, strike out the sentence beginning on line 15.

On page 14, lines 3 and 4, strike out ", and the local access roads".

On page 14, line 8, strike out "(2)" and all that follows down through and including "(4)" in line 11 and insert in lieu thereof the following: (2) priorities for construction of the major segments of the development highways, and (3)

On page 15, line 21, strike out "\$840,000-000" and insert in lieu thereof "\$805,000,000".

Mr. BALDWIN addressed the Committee. His remarks will appear hereinafter in the Appendix.]

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the amendment.

This is another of the amendments which the gentlemen of the minority offered in the committee. Like the others, this one was decisively rejected.

Mr. Chairman, this amendment would abolish the system of access roads, one of the most important features of this bill. If we are to provide any real help for this Appalachian region, then we will have to preserve intact this 1,000 miles of access roads.

Local access roads are as essential to the primary highway system as the veins are to the arteries of the body. We might just as well sever the veins from the arteries as to require that no access roads can be constructed in connection with the arterial highways.

Absent a system of access roads leading into these highways, the life blood of commerce and industry which we hope to stimulate for this region could not flow over those highways and, therefore, they would be virtually useless.

Access roads are to the main highways what the branches are to the trunk of a tree. The trunk of a tree alone cannot bear fruit. It merely provides the sap and sustenance for the branches. If you sever the branches from the tree, the trunk of the tree cannot bear fruit. If we sever from the main arterial highway system we are creating the branches which constitute these access roads to reach into the hitherto remote, isolated areas and open them up for profitable commercial development, then the fruits of growth and development which we would provide for in this bill can never be realized.

Now, Mr. Chairman, certain unwarranted references have been made throughout the course of this discussion. Some references have been made to the effect that these access roads are going to enhance and enrich local promoters and allow people to gain private profit. Perhaps they may. Every highway that has ever been built has enhanced land values. Every highway that we could ever construct would serve some commercial purpose or would serve some in-

dustrial purpose and, perhaps, it will make it possible for someone to open up a profitable industry in an area where this now cannot be done. What is wrong with that? That is the purpose of the bill. The entire purpose of the bill is to open up these areas which have heretofore remained so isolated, so remote, so inaccessible, that industry was discouraged from coming in and providing these well springs of development from which prosperity could flow.

We want people to come in and provide private development. We want private funds to be invested in this region because that and that alone will provide the dynamics to create the jobs in order to allow Appalachia to take its rightful place in the prosperity of the mid-20th century.

However, Mr. Chairman, if we were to sever this entire program of local access roads simply on the apprehension that some private individual may gain a profit, then we would have to rewrite the entire road program of the Nation. We would have to cut out the farm-to-market roads, we would have to cut out the timber development roads in the Western States, the Federal timber regions, and we would have to change the entire structure of the highway system.

Of course, it is going to open up areas for profitable private investment, and that is exactly what we are trying to do. We want private investment to come into this area and thereby create jobs.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Is it not also true that with reference to these access roads just as in the case of other roads you have to have matching funds from the State and the local government, and the veto by the State is there just the same as we have the Federal veto in order to prevent any type of abuse in this program?

Mr. WRIGHT. Precisely. Certainly, I trust the Governors of these States not to abuse this program or to permit it to be abused in any such fashion as the gentleman from California [Mr. BALDWIN] has suggested.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Illinois.

Mr. COLLIER. If this is as important as the gentleman portrays it, if it is as vital as the veins are to the arteries, how come this is only 5 percent of the total amount involved here?

Mr. WRIGHT. Because the main arterial highways are so much more costly than the access roads. These would be comparable to our secondary roads in the rural areas. When we develop the main highway system, the arterial roads become comparable to our primary road systems.

Mr. COLLIER. There are systems in those areas currently existing, are there not?

Mr. WRIGHT. Yes, there are roads which are really comparable roads. That

is why 84 percent of the funds contained in this bill will be devoted to the building of roads.

We feel that is what is necessary to open up the territory so that private capital can go in and develop the area.

The CHAIRMAN. The time of the gentleman from Texas has expired.

By unanimous consent (at the request of Mr. BALDWIN), Mr. WRIGHT was permitted to proceed for 1 additional minute.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from California.

Mr. BALDWIN. The gentleman from Texas mentioned that he trusts the Governors of the States will exercise proper care in allocating these funds. Is it not a fact that the gentleman from Texas [Mr. WRIGHT] is author of an article that appeared in a nationwide magazine pointing out the wide discrepancy and the many misuses of Federal funds that were contracted by States in the highway program?

Mr. WRIGHT. That is correct, but I do not think we can cut out the road building program because it has been occasionally abused. I think we should have more guarantee against abuses. I do not believe it is going to be the purpose of any of the Governors to abuse this section.

Mr. CLARK. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Pennsylvania.

Mr. CLARK. It is true there have been many cases brought out, not only in the Congress, but before the whole public, with reference to the misuse of funds, but the Public Works Investigating Subcommittee is taking care of that matter.

Mr. WRIGHT. I think that investigating subcommittee, under the able chairmanship of our colleague, the gentleman from Minnesota [Mr. BLATNIK], has done a remarkable job.

Mr. CRAMER. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, this is the section to which I referred when I indicated I thought certain sections of this bill were open to grave abuse by local favoritism, the building of public facilities programs that were not up to any standard. They do not require any maintenance, totally without precedent relating to our highway program. That is why the motion is offered to strike it out.

And here is the second reason, and here is what they said when they came to our committee last year: "We will build 500 miles of access highways for \$50 million." That is how well they had outlined the access program. They came before our committee this year and said: "We can build a thousand miles of access roads for the same amount of money, \$50 million." The fact of the matter is they do not know how much it is going to cost, they do not know where they are going to build these highways, obviously. This is future development and planning. The States have not submitted estimates with re-



gard to where these are going to be built, and how many miles within a given State, or exactly what type of development they have in mind that these access highways will serve.

This is the section where you are going to provide 70 percent, \$35 million, Federal matching money, to build driveways, if you please, not highways, to your privately owned motels, hotels, public beaches, bathing beaches, ski installations, golf courses, or anything else within this definition of the bill where they will serve specific residential, commercial, industrial or recreational facilities.

In the record of our testimony this is precisely what they intend to do.

If you want to try to get some of the critical area out of this bill, if you want to guarantee against some abuses, at least strike this section so they will have to meet some standards, and they have to be maintained. This is an opportunity to act responsibly in this area.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BALDWIN].

The amendment was rejected.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: On page 14, strike out line 24, and on page 15 strike out lines 1 and 2 and insert in lieu thereof the following: "ment highway and each local access road not already on either the Federal-aid primary system or the Federal-aid secondary system shall be added to either of such systems and shall be required to be maintained by the State."

Mr. CRAMER. Mr. Chairman, this is in an amendment that very simply requires the States or the local governing agencies, which is the requirement under all present law relating to highways under title III, first, to build these highways to reasonable standards, and second, having built them to reasonable standards, to maintain them. That is all this amendment does.

How in the world can anybody oppose that amendment who wants to spend Federal money, 70 percent of the cost of construction, if you are determined to build these highways to these motels, ski slides, and swimming pools? If you are determined to build them, at least require them to be maintained.

Secondly, it requires that they be built to some established and reasonable standard. That is all this amendment does. I think this is a challenge to this body relating to acting responsibly on this legislation.

Every Member of this body that wants to do something beneficial for Appalachia and help develop Appalachia should wholeheartedly support this amendment because this will guarantee that when these highways are built they will be maintained. This will mean they are not going to pot in 6 months, with potholes, with no one having the responsibility to maintain them or build them to decent standards in the first place. That is all this does. It does it by adding the phrase, "each development highway and each local access road not already on

either the Federal aid primary system or the Federal aid secondary system shall be added to either of such systems and shall be required to be maintained by the State."

That is the present law relating to present Federal aid highways. We have never acted so irresponsibly in this body as to provide 70 percent Federal money for highway development without, first, requiring that they be built to reasonable standards; and, second, requiring that they be maintained.

This is where we are going to find out whether the same approach is going to be made on the floor of the House that was made in the committee, whether the orders that came down relating to action on the floor of the House are the same as happened in the committee, "Let's not cross a 't' or dot an 'i.' No matter how right our opponents may be, let us vote the Senate bill up, vote it out, right or wrong, good or bad, whether it does the job or does not do the job, whether it is reasonable or unreasonable. Let us do that so that we do not even have to go to conference."

This is the place to make the decision. Are we going to rubberstamp what was done in the other body? Are we going to answer to the orders of others outside of this body, or consider this amendment on its merits?

This gives more flexibility, which is a word used considerably in this debate, more flexibility to even the development highways, because this permits those development highways to be built either to primary or secondary standards, either one, which is not the case in S. 3, that is before us.

I say the merits of this amendment should be unquestioned, and I say this should be adopted on its merits. This is the time to find out.

Mr. CLARK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I oppose this amendment.

Amendment of S. 3 to provide for maintenance of local access roads which are not on a Federal-aid highway system would be superfluous.

The Secretary of Commerce clearly is authorized, under the present language of S. 3 to require the State highway departments to maintain Appalachian local access roads even though they are not located on a Federal-aid highway system. Accordingly, no purpose would be served by the proposed amendment.

Section 201(a) of S. 3 provides in part:

The provisions of title 23, United States Code, that are applicable to Federal-aid primary highways, and which the Secretary determines are not inconsistent with this Act, shall apply to the Appalachian development highway system and the local access roads.

Section 116(a) of title 23, United States Code, provides:

It shall be the duty of the State highway department to maintain, or cause to be maintained, any project constructed under the provisions of this chapter or constructed under the provisions of prior acts. The State's obligation to the United States to maintain any such project shall cease when it no longer constitutes a part of a Federal-aid system.

Since section 116(a) of title 23 requires the States to maintain Federal-aid primary highways, the Secretary may determine under section 201(a) of S. 3 that the maintenance requirement shall also be applied to local access roads authorized by S. 3.

The second sentence of section 116(a) quoted above relates to the conditions under which a State's obligation to maintain a Federal-aid highway terminates. It does not control the question whether, under S. 3, the Secretary of Commerce is authorized to require maintenance of Appalachian local access roads.

Section 201(b) of S. 3 directs the Appalachian Regional Commission to submit to the Secretary of Commerce its recommendations with respect to several specified matters and with respect to other criteria for the Appalachian highway program. Under section 201(c) the Secretary of Commerce is authorized to approve these recommendations in whole or in part or to require modifications or revisions.

Such criteria clearly may include a requirement for maintenance of local access roads.

The hearings and report of the Committee on Public Works also evidence a clear intent to require the maintenance of these roads. For example, the Deputy Under Secretary of Commerce for transportation testified that maintenance would be required, and the report states the Committee's understanding that the Bureau of Public Roads will obtain maintenance agreements from each of the States concerned.

Mr. BALDWIN. Mr. Chairman, I move to strike out the last word and yield to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I am sure my distinguished colleague from Pennsylvania has not intentionally desired to mislead this body. Again I say it is rather surprising, when the language of the bill is so explicit and beyond question, that he takes the position to the effect that maintenance in the first instance and standards to be applied in the building of access roads in the second instance are provided in this legislation.

The legislation contains no such provisions or requirements.

In addition to that, if the Secretary says he intends despite that, that maintenance requirements be put into effect, why in the world would they object to that if we are saying what the Secretary says that he intends to do anyway. The point is the requirement is specifically what the other body eliminated by its amendment relating to access roads. The other body took it out and that is the point I have been trying to make. The other body took the requirement of maintenance out. And we have it by their amendment which appears on page 13. They took out of the authorized Federal-aid highway systems 1,000 miles relating to access roads. By taking it out of any Federal system, there was no requirement for maintenance under the basic law. Here is what the law says that is presently in existence.



## Title 23, section 116 (a):

The State's obligation to the United States to maintain any such project shall cease when it no longer constitutes a part of a Federal-aid system.

The act itself says that access highways shall not be a part of any Federal-aid system. How could it be any more clear?

The present law provides no maintenance unless the roads are a part of the Federal-aid system. This is not a part of the system. The bill provides it shall not be a part of the system. How could anyone possibly argue to the contrary?

All we are seeking to do is to make sure that what the majority says they believe is being done, will be done, by putting specific language in the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CRAMER and Mr. JONES of Alabama.

The Committee divided, and the tellers reported that there were—ayes 47, noes 128.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. SAYLOR

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: On page 15, line 19, strike out "70" and insert in lieu thereof "90".

(Mr. SAYLOR asked and was given permission to revise and extend his remarks.)

Mr. SAYLOR. Mr. Chairman and members of the committee, first I would like to commend the committee for having brought forward this piece of legislation. I am going to support it because I think it is the first time since the Appalachia problem has been discussed that Congress has taken positive action toward meeting the needs of this area. I commend the Members for all of the items included in this bill. One of the things I think they have failed to take into consideration is the economic condition of the area itself.

Now, in 1934 when a survey was made by a commission appointed by the then President of the United States to determine the needs of the area of Appalachia, that commission came back with a report and said that the first thing this area needed was roads. This is 31 years later, and the committee has determined that is still the primary requisite in this area to make it a real part of the United States. I have not asked for one penny more here. I have just said that if the committee believes what it has said in its report, that is, that this is the real pocket of unemployment, that this is the real poor area of the United States, then I ask that they give to this area the opportunity to build its highways under the same terms and conditions that we give to California, that we give to Texas, that we give to Florida, and ask them on this interstate system which is going to be built for the Federal Government to contribute 90 percent of the cost of the highways.

Now, we are going to try and we are trying in this area to build our highways, but every State that is involved in Appalachia is strapped at the present time. I notice here one of my colleagues from this area, from the State of West Virginia. His State at the present time and for the past number of years has been and is doing its best to try to improve its highway system. We are not asking for a penny more than is in this bill. We are just saying that if the Federal Government will only help us, let them help us the same way that they have done with the real rich States in the United States.

It is just this simple. Everybody that has supported this piece of legislation says that the purpose is to help these areas. These States are destitute. If they were not, you would not be here with this piece of legislation. I commend the other body for coming up with a provision giving us 70 percent; but if 70 percent is good enough for us poor folks why not do what you do for the rich States in the Union? The Public Works Committee came forward with their bill for the Interstate System and provided 90 percent of the money. That is what my amendment does. It allows the Federal Government to contribute 90 percent for the construction of these highways. If you do that, if you adopt my amendment and allow them to put 90 percent of the money into the highways, you will do more than any other one thing in the bill to help this area become a real part of the United States.

Mr. JONES of Alabama. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as has been repeatedly stated on the floor this bill comes to us at the direction and behest of the members of the Commission representing the several States. Eighty-four percent of the money provided in this bill is for development roads and trails and access roads. If the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR] were adopted, it would increase the cost approximately \$160 million. It would seem that a disproportionate amount would be in the highway section of the bill and I think it would visit harm on the entire bill if the amendment were adopted. I hope the amendment will be rejected.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Is it not a fact that the States in the Appalachian region are now getting 90 percent participation on the Interstate System and will continue to get 90 percent money on the Interstate System under the existing law and existing programs? This is merely an additional portion of road construction being allocated to those States on very generous terms.

Mr. JONES of Alabama. The gentleman from Oklahoma is correct. The 90-percent formula would still be employed on the Interstate System and 50 percent on the primary system.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR].

The amendment was rejected.

Mr. JONES of Alabama. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region, had come to no resolution thereon.

## CORRECTION OF THE RECORD

Mr. KORNEGAY. Mr. Speaker, I request, under unanimous consent, that the permanent RECORD be amended to correct my statements made yesterday, March 1, on the House floor, in a colloquy between the gentleman from Missouri [Mr. ICHORD] and myself, in the following respects:

First. On page 3785 of the RECORD of March 1, third column, line 51, I stated: "It involves a basic, constitutional precept," and the RECORD erroneously read: "It involves a basic, fundamental precept."

Second. On page 3786 of the RECORD, same date, first column, lines 2 and 3, I used the word "unconstitutional," and the RECORD erroneously read "constitutional."

In order to make the RECORD clear, the word "fundamental," in the first instance should be changed to "constitutional," and in the second instance, the word "constitutional" should be changed to "unconstitutional."

I request that the permanent RECORD be so corrected.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

## COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file a report on H.R. 2.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

## HORTON BILLS FOR CIVIL SERVICE RETIREES

(Mr. HORTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HORTON. Mr. Speaker, I have the pleasure to announce before my colleagues in Congress that I have introduced today two bills providing needed improvements in the civil service retirement system. In a very real sense, the beneficiaries of these legislative proposals are not only the retired members of this Nation's civil service, their de-



pendents and survivors but also America at large because strengthening the retirement system protects and preserves a fundamental formula of our democracy, namely, a capable and competent career civil service.

#### ANNUITY INCREASE

The first bill I am sponsoring affords an increased annuity. The increase would amount to 10 percent in each annuity up to \$3,000 a year and 5 percent for the portion of an annuity above that amount.

I believe this proposal should have a priority status in all of our considerations for the needs of retired civil workers and their families. We have allowed the situation to drift to a depressing degree.

Since 1955, the official Consumer Price Index has reflected a 15-percent climb in the cost of living. However, the only general annuity amendment in that period was the 5-percent increase in 1962. Thus, retiree and survivor annuitants have been left behind by 10 percent.

It is incumbent on Congress to restore this lost purchasing power, especially for those who need it most. These are the people below the \$3,000 line, which Congress already accepts as qualifying for poverty programs. For this reason, my measure makes the 10-percent increase applicable to annuities up to \$3,000.

Further, all annuitants are entitled to additional assistance in the face of this statistically shown living-cost increase. Therefore, the bill I am offering also contains the 5-percent increase provision for annuity amounts above \$3,000.

#### SURVIVOR BENEFITS

Mr. Speaker, the second bill I have the honor to offer also is of special importance to the retirement system for civil employees of the U.S. Government.

This measure is intended to end discrimination in survivor benefits. It is in two parts:

First. It requires the recomputation of annuities for all persons who retired before October 11, 1962, and who elected to provide survivor annuities, so as to give them the benefit of the improved formula which has been authorized since.

Second. It provides the recomputation of all survivor annuities for the spouses of employees who retired before October 11, 1962, in order to increase them to 55 percent of the annuities paid these retired employees at the time of death.

The need for this legislative enactment is made manifest by comparing the contrasting situations of persons who have retired from Federal service. Many who retired prior to 1956 still suffer annuity reductions as high as 25 percent in order to provide survivor benefits for their spouses. Yet, those retiring more recently can provide similar benefits for a deduction of only 2½ percent.

Further, the survivor of an employee who retired before October 11, 1962, cannot receive more than half of the annuity paid to his or her spouse, but for those whose spouse retired after that date the survivor annuity is 10 percent higher.

#### CONCLUSION

Mr. Speaker, those who have devoted their lives to the defense of democracy

are not found just in the military. There is a proud history of selfless service among this Nation's civil employees.

I believe it is reasonable and just, therefore, that we in Congress take the legislative steps to insure that retirement from a career of civil service be in keeping with the contributions these employees made during their working years.

#### THE NATIONAL INTEREST AND GEOGRAPHIC DISTRIBUTION OF RESEARCH AND DEVELOPMENT FUNDS

(Mr. ROUSH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSH. Mr. Speaker, when one starts speaking of geographic distribution of Government contracts, raising questions on the equitableness of present policies, he runs the risk of being criticized as parochial in his views.

However, when the simple facts point out one State receives 38 percent of the prime contracts and grants awarded for research and development, when three States combine to receive over 50 percent of these contracts, the Nation is running a risk, the national interest is being adversely affected.

If this is the fact then I feel compelled to speak out as forcibly as I can. Why and how is the national interest being affected? Approximately \$15 billion will be spent next year on research and development by the Federal Government. This is more than 15 percent of the national budget. When such sums are spent then it naturally follows there will be many effects aside from the new knowledge gained.

The economy of the areas of the selected parts of the Nation are bound to be affected. It should be pointed out this effect will be a long lasting one for the reason that production follows research and development. This could well mean certain sections will prosper while others experience pangs of economic starvation.

Equally important in the national interest is the effect this geographic distribution is having on our educational system. Dr. Elvis Stahr, president of Indiana University, states it bluntly:

The result of current Federal policy has been almost inevitably a brain drain on most areas.

He is speaking of the immediate effect but there is a long range effect which we must begin considering now. An authoritative report by an analyst of the National Science Foundation warns of an approaching faculty gap in our colleges and universities in the areas of science, mathematics, and engineering. The vast majority of research associates in science and engineering are now supported by the Federal Government through research grants and fellowships.

If the Federal effort is concentrated in only a few areas of the country we shall overlook the great potential—the great talent—the natural and human resources of other areas of the country.

#### PRISON SENTENCES FOR ILLEGAL GUN USE

(Mr. CASEY asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. CASEY. Mr. Speaker, I ask this Congress to stop the harassment of the legitimate gun owner—and instead to open war on the illegal use of firearms by the criminal preying on society.

I introduced legislation today to set a 25-year mandatory Federal sentence for anyone guilty of using or carrying a firearm during the commission of a robbery, assault, murder, rape, burglary, or kidnapping. We in Congress can swiftly enact a model program of crime control for our own crime-ridden home base of the District of Columbia, and one bill pertains solely to it. The second invokes the authority of the interstate commerce clause and pertains to the Nation as a whole.

The criminal, Mr. Speaker, is the cause of the problem facing our Nation today—not the sportsman, the gun collector, the decent law-abiding citizen who happens to own one or more guns. And it is this problem that we should attack.

There are pending before Congress proposals calling for registration of all guns, and I tell my colleagues now that this is a completely ineffectual way to strike at the problem of illegal gun use. I see little need to further harass the legitimate gun owner when the problem is caused by the criminal, most of whom are repeat offenders often using stolen weapons to commit a crime.

Mr. Speaker, no man in his right mind can expect a criminal planning a robbery with a stolen gun to register the weapon with Federal authorities, or to be alarmed because he has not done so.

We, in Congress, are being asked to legislate in the field of gun registration with little information to justify the need for such a sweeping proposal. We should know, before we pile unworkable and unnecessary restrictions on the decent citizen, the nature of the criminal causing the problem.

Neither our fine Federal Bureau of Investigation, nor our own District of Columbia Police Department, can tell me how many persons arrested or convicted for armed robbery were using stolen weapons. Neither can they tell me how many of these criminals are repeat offenders. The District police has no funds to undertake such a study, and the FBI, only last year, began studying and reporting the profile of known repeaters by the type of crime.

I realize fully the reluctance of Congress to invade the field generally left to the States to prosecute and punish for crimes of violence.

But the problem of outlaw gun use is nationwide, and the States have failed to deal with it effectively. The Federal Government sets mandatory sentences for trafficking in narcotics, and the illegal use of guns by criminals touches far more of our citizens than dope.

Here in the District of Columbia, as over the Nation, the serious problem of illegal gun use has been severely aggravated by extreme laxity on that part of









# Digest of CONGRESSIONAL PROCEEDINGS

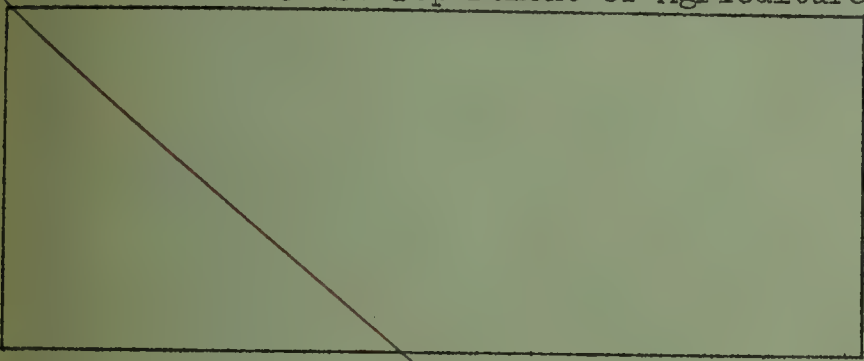
## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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OFFICE OF  
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HIGHLIGHTS: House passed Appalachia bill. House subcommittee voted to report acreage-poundage tobacco bill. House subcommittee voted to report bill to extend Reorganization Act. Rep. Findley criticized proposed user charge on SCS technical assistance. Rep. Cooley introduced and discussed acreage-poundage tobacco bill.

### HOUSE

1. APPALACHIA. By a vote of 257 to 165, passed without amendment S. 3, to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region (pp. 3897-3931, A922-3). This bill will now be sent to the President. See Digests 20 and 21 for a summary of items of interest.

Rejected the following amendments:

By Rep. Cleveland, 56 to 132, to strike out Sec. 203, providing for land stabilization, conservation, and erosion control activities in the region. pp. 3900-

By Rep. Cramer, to provide that no assistance shall be given to any landowner whose average annual income exceeds \$3,000. pp. 3903-4

By Rep. Michel, to provide that the Secretary of the Interior shall make a report on the strip and surface mining survey of the region by July 1, 1966, rather than July 1, 1967. pp. 3905-12

By Rep. Cramer, to strike out Sec. 214 providing for supplements to Federal grant-in-aid programs in the region. pp. 3912-3

By Rep. Daddario, 91 to 151, to provide that Federal agencies having responsibilities under the bill shall adhere to the statement of Government Patent Policy issued by President Kennedy Oct. 10, 1963. pp. 3913-19

By Rep. Balwin, 65 to 172, to provide that no grants may be made for projects in the region unless the area qualifies as an "eligible area" under Sec. 3 (a) of the Public Works Acceleration Act. pp. 3921-2

By Rep. McEwen, to specify the counties in southern N. Y. which would be eligible for assistance under the bill. pp. 3922-4

By a vote of 100 to 323, rejected a motion by Rep. Cramer to recommit the bill to the Public Works Committee with instructions to substitute the text of H. R. 4466, to extend the proposed program to other economically depressed areas throughout the U. S. pp. 3939-30

2. TOBACCO. The Tobacco Subcommittee of the Agriculture Committee voted to report to the full committee a bill to provide for acreage-poundage marketing quotas for tobacco. The "Daily Digest" states that a clean bill is to be introduced (see bill introduced by Rep. Cooley at end of this Digest). p. D151
3. REORGANIZATION. The Executive and Legislative Reorganization Subcommittee of the Government Operations Committee voted to report to the full committee H. R. 4623, to extend and amend the Reorganization Act of 1949. p. D152
4. INTER-AMERICAN DEVELOPMENT BANK. Received the conference report on H. R. 45, to authorize \$750 million for U. S. participation in the Fund for Special Operations of the Inter-American Development Bank (H. Rept. 137). p. 3931
5. FARM LABOR. Rep. Teague inserted a resolution of the California Republican delegation urging the President and the Secretary of Labor "to utilize Public Law 414 and to immediately certify the admission of sufficient temporary, supplemental farm workers" into Calif. p. 3834
6. FARM LEGISLATION. Rep. Younger inserted a speech by the legislation chairman, National Federation of Republican Women, critical of recent legislation passed by Congress, including farm legislation. pp. 3952-4
7. SOIL CONSERVATION; USER CHARGES. Rep. Findley criticized the proposed user charge on SCS technical assistance to farmers and ranchers and inserted a letter from a local soil conservation district critical of the proposal. pp. 3948-9
8. POVERTY. Rep. Gonzalez expressed concern over poverty in the Southwest and urged that action be taken to assist the area. p. 3956
9. RESEARCH. Rep. Roush criticized the "heavy concentration of Federal research funds in a very few areas of the country." p. 3895



want to join my colleagues who have already spoken in wishing him all sorts of good things on this, his birthday. Stay young, Lew. Do not get really any older; just get wiser and younger.

Mr. MINSHALL. Mr. Speaker, today is our good friend Lewis Deschler's birthday anniversary. It is hard to believe that this young man is celebrating his 60th and that this marks his 40th year with the House of Representatives. Lew Deschler devotes his life to Capitol Hill and, without hesitation, I can say Capitol Hill is devoted to Lew.

His wit, his warmth, his never-ceasing courtesy to one and all have endeared him to everyone. Lew's grasp of parliamentary procedure is probably unparalleled in the history of the House of Representatives. I well recall, and with much gratitude, the unselfish way he gave his time and guidance to me when I was a new Member.

As I have told Lew in the past, not only is he a brilliant Parliamentarian and a wonderful friend, he had the good sense to be born in the great State of Ohio. He is a native of Chillicothe, where the Minshalls founded their Ohio roots nearly a century ago. Accordingly, it is with special pride that I wish Lew Deschler "Happy birthday" and may he celebrate many more.

Mr. ARENDS. Mr. Speaker, my heartiest and sincerest congratulations to Lew Deschler on his 60th birthday. He is 60 years young. But in his knowledge of parliamentary law and procedure, in his capacity to evaluate men and situations, in his ability to find solutions to the most difficult problems that inevitably arise in the Congress, he has the wisdom of the ages.

Lew has been our Parliamentarian since 1928. If my memory serves me rightly, he has served under nine Speakers, both Republican and Democrat. There is no center aisle to Lew. Democrat or Republican, senior Member or freshman in this body, Lew makes no distinction. He is ever willing to advise and aid any one of us at any time. His sole interest is in the House of Representatives and in the successful functioning of the Congress. That is the quality of the man.

We congratulate Lew, and as we do so we congratulate ourselves upon being so fortunate to have a man of his talents and character as our Parliamentarian. We wish for him many, many more birthdays. That is our personal wish for him. It is also somewhat of a selfish wish. Without him as our Parliamentarian this House would not be the same.

Mr. HARSHA. Mr. Speaker, I would like to join my colleagues and the many friends of our distinguished Parliamentarian, Lewis Deschler, in extending to him my sincerest wishes for a very happy birthday.

Today, Lew celebrates his 60th birthday, of which 37 of these years have been dedicated to the service of the Members of this body. We are all most fortunate and indeed proud to have such a capable, dedicated, and outstanding Parliamentarian and his many contributions in and out of the Chamber shall long be recognized and held in high esteem by those so fortunate to have worked with him.

It is a pleasure for me to personally extend my best to Lew and to thank him for his untiring efforts, loyalty, and friendship. Lew has rendered an outstanding service to the Congress and the Nation, and for this we are all greatly indebted to him.

I am especially proud of Lew's activities and great contributions to this Congress and the Nation because he is a resident of the Sixth Ohio Congressional District.

I wish him the best and many many more years of good health and happiness.

#### GENERAL LEAVE TO EXTEND

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and I further ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the Record with regard to Lew Deschler.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### CALL OF THE HOUSE

Mr. BALDWIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 27]

Ashley	Irwin	Powell
Derwinski	Kastenmeier	Resnick
Edwards, Calif.	Keith	Rogers, Colo.
Evans, Colo.	King, Calif.	Roosevelt
Griffin	Kunkel	Scott
Griffiths	Leggett	Smith, N.Y.
Hamilton	McVicker	Teague, Tex.
Hanna	Morton	Toll
Holland	Murray	Widnall

The SPEAKER. On this rollcall 403 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

#### APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

Mr. JONES of Alabama. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region.

The motion was agreed to.

#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 3, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the clerk had read through section 201 ending on line 21, page 15 of the bill.

Are there further amendments to this section?

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: Page 15, line 16, after the comma insert the following: "that the State does not have the economic and financial capacity to supply its percentage of such costs and".

Mr. CRAMER. Mr. Chairman, at the outset let me say I think it became rather obvious yesterday that it is the intent and purpose of the substantial majority Members in this body to deny any amendments offered to this bill regardless of merit. I believe, however, that there are a number of matters in this bill that of necessity must be called to the attention of this body, and our amendments for the balance of the day will be limited to those that we believe to be of great significance. There is no intention on our part to unduly delay the matter, but we do feel that consideration should be given to a series of substantial and significant amendments. Our discussion of them will be as brief as possible.

Mr. Chairman, what the pending amendment does is this, and I believe on the basis of equity and rightness it should be adopted without much question. All it does is add an essential criterion for determining whether the Federal share of the cost of the roads and highways will be 50 percent or up to 70 percent. The only basis for determination as to whether the Federal share should be 50 or 70 percent is contained in the present language of the bill, "that assistance in excess of such percentage is required in furtherance of the purposes of this Act." Nowhere in the act does it say that in order to obtain the additional 20 percent, the local community or the State involved should lack the financial capacity to supply the usual percentage in order to justify the additional 20 percent.

It seems to me obvious that an additional 20 percent should not go to areas or States wherein they have financial capacity to put up the money themselves. Some people may argue, well, we are going to look into that, and that will be our test, but it does not so state in the bill. If that is the intention, let us write that in and let us require that the Secretary of Commerce make such a specific determination so that the sentence will read as follows:

Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Secretary determines that the State does not have the economic and financial capacity to supply its percentage of such costs and—

Meaning 50 or 70 percent, or whatever would result from that increase in Federal participation—

and that assistance in excess of such percentage is required in furtherance of the purposes of this Act.

The proposed amendment adds a necessary condition.

A precedent is set for this in the majority bill in another section. It is amaz-



ing to me that in one section they require such a finding but in another section they do not. Perhaps the key to it is the fact that the Senate report indicates that of the \$1.2 billion estimated cost of this program they are willing to put up \$840 million Federal funds, which just happens to be 70 percent of the cost of the highway program.

If this amendment is not adopted you are going to have all highways constructed under this, not at 50 percent but, rather, at 70 percent Federal share of the cost. We only want it to go to 70 percent if the communities can show they do not have the financial capacity to supply that additional 20 percent themselves.

Mr. Chairman, I want to cite the precedent for this, which is contained in section 214 of the majority bill which provides for supplementing Federal grants-in-aid. Under that section the Federal share of the cost of grants-in-aid projects, and the test to get that money is, as set forth on page 31, lines 3 and 4, because of their economic situation, they cannot supply the required matching share.

The CHAIRMAN. The time of the gentleman from Florida has expired.

By unanimous consent (at the request of Mr. CRAMER) he was permitted to proceed for 2 additional minutes.

Mr. CRAMER. So what we are doing is writing a similar requirement into the section authorizing Federal money relating to highways. There should not be any question about the equity of this approach, the soundness of this approach, and the necessity for such a test. I trust the amendment will be adopted.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I just want the gentleman to make clear when he inserts the language in his amendment if he means the Secretary shall make the determination that the State does not have the financial capacity or the Commission shall make that determination.

Mr. CRAMER. The Secretary determines. The recommendation is from the Commission. They both make the decision, as is the case with regard to the next clause, which says that if assistance in excess of such percentage is a requirement in furtherance of the act, the Secretary and the Commission have to make that decision. The same is true with regard to this.

Mr. EDMONDSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not think I will take the 5 minutes because I believe the gentleman from Florida has an amendment identical to the one offered in the subcommittee, which was rejected by the subcommittee on the ground that the substance of what he wants to do is accomplished by language in the bill as it is presently written, that the determination that a percentage in excess of 50 percent is required to further the purposes of the act is the same type of determination basically that the gentleman's amendment would have us adopt.

I might say at this point the committee felt there was no particular point in

adopting extensive amending language when the meaning of the language appeared to be clear and incisive enough to meet the needs of the legislation. I think the history of the legislation has made it quite clear that this percentage will be available where it is determined that it is necessary to further the purposes of this act. That might apply to the economic or the financial incapacity of the State. It might apply to a depleted tax base. It might apply to the heavy burden of welfare that rests on the State. Any one of these things might enter into the decision by the Commission and the Secretary.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Florida.

Mr. CRAMER. Will the gentleman point out in the language of the bill what would deal with this question of the financial ability of the communities to deal with the 20-percent requirement?

Mr. EDMONDSON. The whole purpose of the act is to provide the public works and economic development program to assist in developing the Appalachian region. The obvious motivation for the entire legislation is the finding that the States that are in the Appalachian region have a shortage of resources with which to meet these basic shortcomings. So the overall purpose of the act itself is spelled out from the very first. I am quite sure that is well known to the gentleman from Florida.

Mr. CRAMER. Will the gentleman tell us why, in regard to this specification in section 214, he would object to writing it in to make it certain that applies to highways?

Mr. EDMONDSON. One basic objection to adopting an amendment when the requirements are already met by language is to avoid delay in the legislation. The gentleman has a number of amendments that he offered in subcommittee that in effect said the same thing that the language in the bill said. We felt that if the language in the bill did the substantial job of legislating that needed to be done there was no need to adopt new language just for the sake of satisfying the legal requirements of the gentleman from Florida.

Mr. CRAMER. If the gentleman will read the Senate report, and I am not suggesting he has not read it, on pages 8 and 9 the Senate report indicated it was their intention to make available 70 percent for all highways. They provided 70 percent of the \$1.2 billion to do it.

In view of that legislative history, I think it is obviously necessary that we put this provision in this section as it was put in section 214.

Mr. EDMONDSON. Does the gentleman want us to write a legislative history at variance with the legislative history in the other body?

Mr. CRAMER. I certainly do, if the other body means what it says—that all these highways are to be built with 70 percent of Federal money, when that flies in the teeth of what the legislation itself says, that it shall be 50 percent except under special circumstances.

Mr. EDMONDSON. Of course, if the other body wanted to provide for the

eventuality which was at all times before them that the commission might find that 70 percent was required to carry out the purposes of the act, they would have to authorize 70 percent of the money; would they not?

Mr. CRAMER. The wording of the existing section which is supposed to set out the criteria is on page 15, line 13: "Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs"—unless these required findings are made, and 50 percent is supposed to be the basic Federal share.

Mr. EDMONDSON. Yes, that is in the bill itself.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. SAYLOR. Mr. Chairman, I ask unanimous consent that the gentleman from Oklahoma [Mr. EDMONDSON] be given 1 additional minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SAYLOR. Mr. Chairman, will the gentleman from Oklahoma yield to me?

Mr. EDMONDSON. I am glad to yield to my colleague.

Mr. SAYLOR. I just want to say, I believe the arguments given against this amendment are sound. They are the same arguments, however, that you would not concede yesterday when I offered my amendment to this section of the bill, and I only wish you had given those same arguments yesterday because you would have supported my amendment and then we would have 90 percent instead of 70 percent available for highways in this area.

Mr. EDMONDSON. The gentleman's recollection of my arguments with reference to his amendment yesterday is a little different from my recollection of them.

Mr. SAYLOR. I do not say that your argument is different today than what it was yesterday, but I agree with your argument with reference to this amendment today. The argument you have used against this amendment are those I used to support my amendment yesterday.

Mr. EDMONDSON. I am happy you do support my argument with reference to this amendment today.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The amendment was rejected.

The Clerk read as follows:

#### Demonstration Health Facilities

SEC. 202. (a) In order to demonstrate the value of adequate health and medical facilities to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction, equipment, and operation of multicounty demonstration health facilities, including hospitals, regional health diagnostic and treatment centers, and other facilities necessary to health. Grants for such construction (including initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291-291z) and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), without regard



to any provisions therein relating to appropriation authorization ceiling or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) No grant under this section for construction (including initial equipment) shall exceed 80 per centum of the cost of the project. Not to exceed \$41,000,000 of the funds authorized in section 401 shall be available for construction grants under this section.

(c) Grants under this section for operation (including equipment other than initial equipment) of a project may be made up to 100 per centum of the costs thereof for the two-year period beginning on the first day such project is in operation as a health facility. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grants for operation of a project shall be made after five years following the commencement of such operations. Not to exceed \$28,000,000 of the funds authorized in section 401 of this Act shall be available for operating grants under this section.

#### AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: On page 16, line 3, strike out "equipment, and operation" and insert in lieu thereof "and equipment".

On page 16, strike out line 23 and all that follows down through and including line 8 on page 17.

Mr. CRAMER. Very briefly, Mr. Chairman, this amendment meets the objections raised in debate and in the minority views with regard to going into a new area—a socialized medicine area—providing 100 percent for the first time in the history of legislation by this body, providing for 100 percent operational costs of multicounty health facilities and other hospitals, regional health diagnostic and treatment centers and other facilities necessary to health. That is what this amendment deal with, to strike out the 100 percent Federal participation for the operation of these projects as provided on page 16, paragraph (c).

Paragraph (c) reads as follows:

(c) Grants under this section for operation (including equipment other than initial equipment) of a project may be made up to 100 per centum of the costs thereof for the two-year period beginning on the first day such project is in operation as a health facility.

And for the next 3 years it is 50 percent, and \$28 million is authorized to pay for the operation of these facilities.

This section likewise has no relationship whatsoever to whether or not the community in which the facility is located can afford to pay the operating expenses—that community, rather than the Federal Government.

Likewise, there is nothing in the section to limit the amount paid, the 100 percent, to a deficit operation. Of course, it is said that is what they intend, in the report. We asked for an amendment in the committee, to spell out that if this is going to be a 100-percent participation there should be only an amount for the deficit of the opera-

tion, and they would not even adopt that amendment, the merits of which should be beyond question.

What this presently proposed amendment would do is to strike out the operational Federal grant of 100 percent for 2 years, 50 percent for 3 years, for these different facilities after they are constructed, and thus would leave in the bill the construction money but not the operation money. This construction money is in the amount of \$41 million.

This is the only section in the bill under which there is a 100-percent Federal grant. I ask, Why? It is a 100-percent Federal grant. This is the only section. One would think they would have started out taking it a little easy. Going into a new area of paying operational expenses, one would think they would start out with perhaps 50 percent, as a precedent; but, no, they want to go whole hog and make it 100 percent from the outset. That does not make sense.

This is the area in which we are clearly getting into socialized medicine. It is a 100-percent grant for the cost of operation of these Government facilities. These grants are to cover the costs of operation, including salaries of nurses, doctors, technicians, and other persons providing technical services, and will constitute 100-percent Federal subsidization of medical services performed in a facility constructed with 80-percent Federal funds.

I say that this is a new precedent. It is unquestionably so.

The House Committee on Interstate and Foreign Commerce was requested by the administration, in the Mental Retardation Facilities Construction Act of 1963—and this is the committee which has jurisdiction over this subject matter—to do this, but refused to provide operating expenses, as this bill would provide.

What is happening is that through the Public Works Committee, which has no expertise on this subject whatsoever—and I do not believe claims to have—a precedent is being set to pay 100 percent of the cost of operating hospital and health facilities, in direct opposition to what the committee having jurisdiction over this subject matter did only a year and a half ago.

I say that in good conscience this should be stricken. If we are ever to go into this the committee having jurisdiction should consider it, and not the Committee on Public Works. However, I would oppose it in any event.

Mr. SWEENEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the sections which our distinguished colleague from Florida has just reviewed, with respect to his amendment, have been reviewed at great length. Witness after witness was heard before the committee.

But it is an original charge which is being made today, as it concerns socialized medicine being a part of the Appalachia concept. Yesterday, we heard about "boondoggle" and "pork barrel" and today we are taunted with the cat across the trail of socialized medicine.

Let us analyze the medical demonstration section of the Appalachia bill and

take a real good look at it. These sections bear upon the greatest resource we are attempting to reclaim of the Appalachia district—the human resource. We believe there is a direct relationship between the reclamation of human resources and the development of medical assistance programs and medical facilities in Appalachia, because we believe the very presence of these facilities to be directly tied to and to directly affect the decision of industry to locate in this area.

I delight that the amendment of our distinguished colleague from Florida does not seem to oppose the introduction in the Appalachia districts of these hospital facilities but, rather, proposes that once we create the facilities, we should hold back on the operational expenses. Now let us talk about the operational problem just a little bit. We have known in Appalachia—and there are some 24 counties in my State that are affected by this bill—we have known and heard from witness after witness who came before the committee that all too often the local community finds itself handcuffed and unable to proceed so as to be able to afford its contribution to the costs of creating a facility let alone operating it. We hear all too often from the Governors of various States who have testified in 1964 to this effect and again this year when the committee considered the bill, without exception, as to the disability under which these communities were laboring insofar as getting the high operational costs necessary to operate medical facilities on a decent level of care for America in the Appalachia district. The construction of these facilities has certainly been impeded because once having created the facility they find it difficult in the local community to find the funds necessary to hire the doctors, to staff the medical personnel, to buy the drugs, and to provide the essentials of service necessary to give these people in the Appalachia district a decent standard of medical attention.

In the operational clause of the Appalachia program we talk of taking these embryonic medical centers—the in-patient and out-patient clinics of Appalachia—and letting these embryonic centers get their operation going. The operational subsidy of 100 percent exists but for 2 years, and after 2 years this operational subsidy as provided by this bill is reduced to but 50 percent—50 percent of the operating differential between the income that may be received by hospitals from all sources and their costs. Then at the end of the fifth year the concept of assistance is ended and the local community shoulders as of that time 100 percent of the costs of their medical facility. Now, what could be more in accord with the constant chant we hear from the minority Members, "Let us return control to the local community." What plan could be conceived of that would be more complementary to the thought that the local community would take hold and would operate it and attend directly person to person in the streets of the local community to the local needs. This medical facilities phase of this bill, in my humble



judgment, is the meat of the Appalachia concept of bringing Americans forward into a new day so that a woman does not have to go 200 miles down the street in order to deliver her infant.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent Mr. SWEENEY was given permission to proceed for 1 additional minute.)

Mr. SWEENEY. We have problems that are not unique to Ohio alone but apply to the entire 11-State region which this bill addresses itself to. For how long are we going to sit in silence and watch these poor people, with limited community ability to match Federal funds, suffer because of the inadequacy of medical facilities in their own home communities? We were favored in this generation by a man who left our good shores and journeyed to far off Laos. His name was Tom Dooley. He pioneered a personal foreign aid program almost singlehandedly. It was the Tom Dooley concept that we make friends in the world today and thus we enlarge America when we lend a helping hand, as was said here yesterday, "to them who just ain't got it so good."

Mr. Chairman I urge the defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was rejected.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: On page 16, line 25, after the word "costs" strike "thereof" and insert the following: "of operation of such facilities, after deduction of any contributions or payments from States or local governments, private organizations, or individuals."

Mr. CRAMER. Mr. Chairman, very briefly, all this amendment does is to provide that the 100-percent contribution for 2 years and the 50-percent contribution for 3 years thereafter of Federal funds shall be made solely to make up the deficit in the cost of the operation of the hospital. Obviously the Federal Government should not contribute to anything other than the deficit. But the bill does not so provide. As a matter of fact, we are adopting almost verbatim the language of the report of the majority, which says:

The committee also understands—

They do not even say they recommend it—

The committee also understands that under section 202(c), the operating costs with respect to hospitals and diagnostic and treatment centers is defined as the cost of operation of such facilities after deduction of any contributions or fees from States or local governments, private organizations, or individuals.

There is nothing in the bill that says this. There is nothing other than in the report itself even to indicate that that is the case. It is only an understanding. It is not even a recommendation. So if they want to do what they say they want to do, all they have to do is to adopt the amendment, and there will be no

question that only deficits would be paid. I think it would be totally irresponsible not to so provide.

Mr. SWEENEY. Mr. Chairman, I rise in opposition to the amendment.

Briefly, Mr. Chairman, we should like to point out to our distinguished colleague of the committee that his objection is most adequately answered at page 14 of the report, with which the gentleman from Florida is quite familiar. We believe that there is considerable logic to support the fact again that the 2-year support should address itself to the differential between operating income and actual cost and that the medical provision as contained in the bill is well reasoned out and will come to an end at the conclusion of 5 years.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The question was taken; and on a division (demanded by Mr. CRAMER) there were—ayes 20, noes 57.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Land Stabilization, Conservation, and Erosion Control

SEC. 203. (a) In order to provide for the control and prevention of erosion and sediment damages in the Appalachian region and to promote the conservation and development of the soil and water resources of the region, the Secretary of Agriculture is authorized to enter into agreements of not more than ten years with landowners, operators, and occupiers, individually or collectively, in the Appalachian region determined by him to have control for the period of the agreement of the lands described therein, providing for land stabilization, erosion and sediment control, and reclamation through changes in land use, and conservation treatment including the establishment of practices and measures for the conservation and development of soil, water, woodland, wildlife, and recreation resources.

(b) The landowner, operator, or occupier shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the appropriate and safe land uses and conservation treatment mutually agreed by the Secretary and the landowner, operator, or occupier to be needed on the lands for which the plan was prepared.

(c) Such plan shall be incorporated in an agreement under which the landowner, operator, or occupier shall agree with the Secretary of Agriculture to carry out the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

(d) In return for such agreement by the landowner, operator, or occupier the Secretary of Agriculture shall be authorized to furnish financial and other assistance to such landowner, operator, or occupier in such amounts and subject to such conditions as the Secretary determines are appropriate and in the public interest for the carrying out of the land uses and conservation treatment set forth in the agreement: *Provided*, That grants hereunder shall not exceed 80 per centum of the cost of carrying out such land uses and conservation treatment on fifty acres of land occupied by such owner, operator, or occupier.

(e) The Secretary of Agriculture may terminate any agreement with a landowner, operator, or occupier by mutual agreement if the Secretary determines that such termination would be in the public interest, and may agree to such modification of agreements previously entered into hereunder as

he deems desirable to carry out the purposes of this section or to facilitate the practical administration of the program authorized herein.

(f) Notwithstanding any other provision of law, the Secretary of Agriculture, to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (2) surrender of any such history and allotments.

(g) The Secretary of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section.

(h) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service, and the State and local committees provided for in section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(b)), and is authorized to utilize the facilities, services, and authorities of the Commodity Credit Corporation. The Corporation shall not make any expenditures to carry out the provisions of this subsection unless funds specifically appropriated for such purpose have been transferred to it.

(i) Not to exceed \$17,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

Mr. JONES of Alabama (interrupting reading of bill). Mr. Chairman, I ask unanimous consent that this section be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

AMENDMENT OFFERED BY MR. CLEVELAND

Mr. CLEVELAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLEVELAND: On page 17, strike out line 9 and all that follows down through and including line 8 on page 20.

Renumber sections 204, 205, and 206, as sections 203, 204, and 205, respectively, including any references thereto.

Mr. CLEVELAND. Mr. Chairman, the purpose of my amendment is to take section 203 out of this bill. Section 203 is the "Land Stabilization, Conservation, and Erosion Control" section.

Mr. Chairman, why are we asking to take section 203 out of the Appalachian bill? Broadly speaking, there are two reasons. Just last year, just last year if you please, the majority on the Public Works Committee of the House of Representatives that considered this legislation came to their senses after they had considered this, and they themselves asked to take this section out. It was understood before the Committee on Rules that this section would be taken out, because last year this section had a different name. It is about the same section actually, but last year it had a different name.

LEGISLATION BY LABELS

Mr. Chairman, this is the day and age when we legislate by slogans and labels. Sometimes the mere change of a slogan and a name is held to change a whole



section of a bill. But whether we call this section as it is called at this time, "Land Stabilization, Conservation, and Erosion Control" or whether we call it as it was called last year, a pastureland section, the purpose of this section is still the same.

Mr. Chairman, the purpose of this section is designed to improve soils in the Appalachian area so the people who reside there can grow more cover crops on which more animals, and beef in particular, can feed. Oversupply of beef constitutes a growing problem in this country today just as it was last year.

Mr. Chairman, there is not anyone who follows today's events in the agricultural world who does not know—the President said this in his message to Congress—it is a known fact that oversupply is plaguing the agricultural sector of our economy.

Mr. Chairman, it makes little sense in the name of poverty and in the name of developing human resources in this area, to simply develop new farms or to improve farms in existence which will further aggravate the agricultural problem we face.

But, Mr. Chairman, besides the fact that this is really a section that is going to increase farm production and increase our surpluses, there is another reason—another reason why—this section should be taken out of the bill.

#### PREFERENTIAL TREATMENT

Yesterday, Mr. Chairman, and the day before, I referred to this bill as being unfair and discriminatory with respect to other areas in the United States. I quoted the administration witness who frankly admitted in the record that the name of the game, the Appalachian game, the name of the game was preferential treatment, that is also involved here, highlighted and aggravated perhaps as clearly as anywhere in this bill. Here again, the essential unfairness of this bill becomes manifest.

Mr. Chairman, the administration has proposed a nationwide cut in soil conservation activities. The administration has proposed that throughout this broad land of ours, in northern New England, in the Northwest, in the Great Plains, in Texas, they have proposed that the small farmer must take upon his back the cost of the soil conservation programs.

As a result of this, it is widely felt in soil conservation circles that the soil conservation program may be utterly ruined. The plan to cut the program does not help the small farmer. The small farmer cannot pick up the tab for soil conservation services. Here at the time this administration is cutting soil conservation services throughout the Nation, they are adding \$17 million to this service in this favored Appalachian region. Here is the essence of why we call this bill unfair. We are not against soil conservation for Appalachia. Indeed, they already have many programs there, but why in the name of fairness should the administration cut the soil conservation program in New England, in Michigan, in the Northwest, in the West and Southwest, when at precisely the same time in Appalachia, they say these services are so important we are

going to pour in \$17 million to beef up those services, and improve them.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the pending amendment.

The most economically depressed families in this entire economically depressed region are those families who are struggling on small farms to scrape a living from the slender patrimony of a rugged land where generations of flood waters have rolled rapidly down the steep and rocky hillsides and denuded the earth of its vegetative covering and its top soil.

If we are going to provide any meaningful assistance for the most economically depressed portions of this economically depressed area, obviously we must do something of a meaningful nature to assist the small, marginal, family-sized farm. The amendment would remove the only section in the bill which provides any measure of assistance for the small, family-sized farm.

The first thing I think we must establish is that, contrary to the expressions made by the minority, this section 203 is not a livestock section in this bill this year. It has been entirely and completely rewritten from the bill under committee consideration last year to which they have referred. It is quite true, as the gentleman explained, that last year I personally stated if that bill then presenting a program encouraging livestock production on 25 acres of land were to come to the floor in that form, I would offer a motion to strike out that particular section. I strongly felt that it would not be fair to encourage anybody to think he could have a viable livestock operation on 25 acres of land. Nor was it fair to others throughout the country who have been struggling all along to make a living in the livestock industry, where prices are falling, to put others into competition with them.

But this bill contains no such feature as that.

I invite your attention to section 203 as completely rewritten in the Senate committee, and again on the floor of the Senate, and I ask you if you can find in that entire section one word that relates to livestock or one word which relates to pasture land. This section is an attempt to control the erosion and siltation, the washing away of the remaining acres of top soil which would provide the economic possibility of help for these small farmers who have tried and are trying to live and earn their living there.

A few days ago, I asked the Secretary of Agriculture if there was anything in the section which he could or would use or permit to be used to encourage any widespread expansion of livestock operations. He personally assured me that there was not, and said emphatically that such would not be the intent or purpose of the Department of Agriculture. So, unless you want to believe that the Senate, the committee, and the Secretary of Agriculture are all misleading us, and deliberately so, then this is not a livestock section.

What are the things which this section does encourage? I have here the official national catalog of practices approved by the Department of Agriculture for use in

soil and water conservation. I asked representatives of that Department to point out those particular practices that are being used and the ones considered most needed to hold intact the soil in this Appalachian region. Here are some of the typical practices which will be encouraged under this bill:

Conservation cropping system—growing crops in combination with needed cultural and management measures. Cropping systems include the use of rotations of crops that contain legumes.

Contour farming—conducting farming operations on sloping, cultivated land in such a way that plowing, land preparation, planting, and cultivation are done on the contour so as to stop erosion.

Contouring orchard, vineyard, or small fruits—planting orchards, vineyards, or small fruits so that all cultural operations can be performed on the contour. This prevents the further erosion of the land.

Critical area planting—stabilizing silt-producing and severely eroded areas by establishing vegetative cover. This includes woody plants, such as trees, shrubs, or vines, and adapted grasses or legumes established by seeding or sodding to provide long-term ground cover.

Diversion development—construction of channels with a supporting ridge on the lower side constructed across the slope, once again to stop the rapid runoff of this soil and water resource.

These are a few of the practices involved. Others include terracing, reforestation, and similar soil preserving activities.

Most of the farms in Appalachia are small farms. This section will not make the farmers rich. But it may help to hold the land intact as a legacy to future generations. The amendment, therefore, should be defeated.

Mr. CRAMER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Texas in his testimony last year on this matter agreed before the Rules Committee that he felt it should be stricken, for the obvious reason that it does nothing but put this land in competition with present farm acreage. As a matter of fact, this year we find it is in greater variance. It is in variance with the President's own announced policy, and I will read it as it appears in the President's budget message for fiscal 1966. This program is going in exactly the opposite direction. In the first place, who can claim that a 50-acre farm is so economical or productive that it will support the farmer thereon? This is what the President said, and this section is completely at variance with it:

But in view of the market outlook for farm commodities at home and abroad, farming alone cannot be expected to provide a decent living in the future for more than about 1 million farm families, even with continued Government assistance. Many low-income farm families will have to find other ways of earning a living, or other sources of income to supplement their modest farm earnings, if they are to share more fully in our national prosperity.

This means that some 2½ million families, living on marginal farms, will have



to yield to the growing mechanization and enlargement of the farm unit and seek other means of subsistence.

This is the President of the United States speaking. This flies, obviously, in the face of that announced policy.

In addition to that, I want to make one additional point, and then I will yield to the gentleman from New Hampshire [Mr. CLEVELAND].

Thus, it is admitted in the testimony before the committee that you can be a suitcase farmer, you can be a millionaire, and you can still get a subsidy for a 50-acre farm as a grant of \$2,500. You can get \$2,500 as a one-shot proposition.

Mr. WRIGHT. Not \$2,500 an acre.

Mr. CRAMER. No, \$2,500 for the 50 acres. And it can be made available to millionaires. This does not help the low-income families. It flies directly in the path of the antipoverty bill passed last year, and another layer of subsidies. In that instance under title III, section 302 we provide for a \$2,500 maturity for loans for 15 years to help low-income families. So it appears to be obvious that the objective of this is to make the money available to the non-low-income families and the suitcase farmers, as well as low-income families.

Now I yield to the gentleman from New Hampshire.

Mr. CLEVELAND. Mr. Chairman, there is one other important item that this amendment of mine brings out. There has not been enough comment on it. It is written into this legislation in two places in the following language:

The public investments made in a region under this Act shall be concentrated in areas where there is a significant potential for future growth.

That is the language—where there is a significant potential for future growth.

Actually the whole purpose of this act is to reinforce those areas where prosperity is already in existence in Appalachia. They do not want to get stuck trying to reinforce the areas where they do not think there is a chance and where the needs are really great.

#### A NEW GIMMICK

They have a new gimmick in this act and I do not think it has received full consideration. Certainly not by the gentleman from Texas, who has changed his mind so handily from his position last year on this section. This section is really nothing more or less than a pasture section. Actually the small farmer whose plight is invoked so movingly is going to get short shrift under this legislation by the very terms of the legislation. It is confined to those areas of "significant growth potential."

In this connection; we remember the words of Mr. Kermit Gordon who pointed out that 80 percent of our assistance under farm programs now goes to a million farmers whose average income exceeds \$9,500 a year and the other 20 percent of the assistance is spread thinly among the remaining 2½ million farmers who really need the assistance. The big farmer gets the big share from big Government.

That point has to be made here too. You can argue all day for the passage of this legislation and you can argue against my amendment, but please do

not invoke the so-called "small farmer" who just as under existing farm programs will under this bill be again getting the short end of the stick.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McCLODY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, not only does this section go against the budget message to which the gentleman from Florida made reference, but also it goes against the agricultural message which this House received recently from the President of the United States. It seems to me that the administration is at long last recognizing that the American Farm Bureau Federation has had some good advice for the Congress for some time in recommending that uneconomical farms should be removed from use for agricultural purposes. This is directly opposite to that message which we received with regard to the future of agriculture. It seems to me what this section is going to do is to perpetuate the small, uneconomical farms and instead of relieving the impoverishment in this area, it is going to perpetuate the impoverishment among those many people who may take advantage of this section.

Now, Mr. Chairman, I yield to the gentleman from New Hampshire.

Mr. CLEVELAND. Mr. Chairman, just to conclude the point I was making, although the public does not seem to realize it, the small farmer is not getting much benefit from these massive Federal agricultural programs that we are passing. It should be noted, as the gentleman from Illinois [Mr. FINDLEY] pointed out on page 480 of the RECORD in this very session, that the 1964 statistics of the Department of Agriculture show that 1,300 biggest wheat farmers qualify for annual Government payments for an average sum of \$15,000 per farmer and the remaining 1 million wheat farmers with farms averaging from 12 to 15 acres qualify for individual annual average payments of only \$58.

Mr. Chairman, the expert witness from the Department of Agriculture testified before our committee specifically in answer to a question from me as to whether or not beef cattle could use this improved land scheduled for Appalachia said, and his answer can be found on page 105 of the record of our hearings, and he said very specifically, "Yes, there is no restriction in this section."

No amount of argument and no amount of semantics in the changing of this from a pastureland section to a soil conservation section can change this fact. This section is substantially the same as the section that was considered undesirable last year.

Now I think that my basic plea on this particular amendment is similar to the pleas for other amendments, Mr. Chairman. What is happening is this. We are being asked here on the floor of the House to help the little guy. But the little guy will find no help in this bill. It is going to be the hobby farmer or the fellow who gets to town to the county courthouse first who is going to be getting the benefit of this legislation. The race will be to the swift. The big guy

will get the big handouts from big Government in this big area—Appalachia.

I believe we should realize this. We miss the point if we do not.

The name of the Appalachian game is indeed preferential treatment. Under this section the preference can go to those hobby farmers, to the large farmers who will know about this the minute it passes and get there with their applications. This will not necessarily help the small farmers.

When I asked the administration witness why they chose this area of Appalachia, he gave the answer, "it is a big area." This is the trouble with the bill. It treats a big area and it favors big interests in it. It will not help the small man or small town in Appalachia. It will simply reinforce areas of prosperity which they already have, by the terms of this act and by the testimony.

Mr. McCLODY. I thank the gentleman. I add that we should set about trying to resolve the farm question rather than to complicate it. This section would seem to further complicate it.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, last year—I believe it was in the month of May—when the stage was being set for this legislation, President Johnson, with much fanfare, made a trip from Washington to a farm in North Carolina. Preceding his trip, one of the extension directors—I believe the associate extension director of the State of North Carolina—went to the farm and asked the farmer and his wife to be sure to have the children barefoot and a washing on the line. In other words to present all the appearances that they were living in poverty.

As I understand it, the orders on the part of the stage managers were dutifully carried out.

The President made his visit, and at the conclusion the wife of the farmer said that this was the first time they knew they were living in poverty.

It was not long after the Presidential visit when, smarting under the ridicule of their neighbors for having been a part of this stage-managed, poverty production in North Carolina, this small farmer was compelled to leave the farm. The whole family moved out and moved into a city. This was the penalty they paid for being induced to become a party to this kind of a public farce.

Now, there is a question I should like to ask the gentleman. Since there are some hills in Iowa which erode, are we going to have to move a mountain into Iowa from Texas or somewhere else in order to qualify for all the good things of life under this bill, if there are any good things of life in it? Would we have to move a mountain there? I understand that participation is predicated upon mountainous regions. Could the gentleman suggest where we could get the loan of a good mountain for Iowa?

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Florida.



Mr. CRAMER. I suggest to the gentleman that if he cannot get a mountain he might get a valley or two. This bill seems to be based on mountains and valleys. One must have a mountain range or a valley apparently to qualify. That makes up a region, except that all of it does not make up a region if the proponents so choose. Some of it is in and some of it is not in this bill. The gentleman is understandably as confused as I am about what makes up a proper region.

Mr. Chairman, from what source will come the more than \$1 billion to finance the programs set forth in this bill, without the expansions that everyone knows will be demanded when the gravy train starts rolling? Where is it proposed to get the money?

The estimated Federal deficit on June 30 this year is expected to be more than \$6 billion. How much deeper is it proposed to dig the grave of Federal deficit and debt in this country?

Moreover, if hundreds of millions of dollars are to be used to provide for industrial and agricultural production in the areas covered by this bill it will only compound the economic injustice now being heaped upon such agricultural states as Iowa.

The farmers of Iowa are already suffering from price injustices created in part from surplus production. And how is it expected Iowa can compete with the Federal Treasury and the power of the Federal Government in obtaining the industries it needs to provide a balance of agriculture and industry? Iowans will pay their share of the costs for this program and be penalized for so doing.

Mr. Chairman, I oppose this monstrosity in any form. I will vote against the proposed motion to recommit and bring forth a measure that is a little less worse. Then I will vote against the bill.

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New Hampshire.

Mr. CLEVELAND. I am surprised to hear that there are not any mountains or mountainous country in Iowa, because I heard that the gentleman won the last election by a landslide.

Mr. GROSS. Of course we do have a few hills one can slide down in Iowa but that is not sufficient for handouts under this bill. If the gentleman is no more worried about that election than I am, he will not be at all concerned about that landslide.

I again renew my invitation to someone to offer us in Iowa a first-class mountain so that we may have the option of getting into this deal, either through the back door or the front door.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire [Mr. CLEVELAND].

Mr. BALDWIN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CLEVELAND and Mr. JONES of Alabama.

The Committee divided, and the tellers reported that there were—ayes 56, noes 132.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: On page 18, line 23, after the period insert the following new sentence: "No financial or other assistance shall be given under this section to any landowner, operator, or occupier having an average annual income of more than \$3,000 for the two-year period immediately preceding the date on which such person enters into an agreement under this section."

Mr. CRAMER. Mr. Chairman, this takes the \$3,000-or-under figure used by the administration to identify persons living in poverty, and says that this \$2,500 grant to anyone who has 50 acres or more of farmland may be made, that this bonus of \$2,500 may be made, but that it shall be denied to the millionaire and the suitcase farmer, the "city slicker," if you please, who puts his tax money, largely as a tax dodge, into this farm acreage, so he may have it as a writeoff for tax purposes. They are not there on the farm as occupants—those who would be denied the \$2,500 Federal grant. That is all this amendment does. It is totally consistent with the act passed last year relating to unemployment and economic opportunities. I have it at hand.

If, in fact, it is the intention to duplicate the program passed last year in the Economic Opportunities Act, that act made assistance available under title III, section 302, as follows:

The Director is authorized to make loans for a maximum maturity of 15 years in amounts not to exceed \$2,500 in the aggregate to any local income rural family.

That relief is already available. Now they want to put this additional layer of \$2,500 to be made available to the same farmers and also to the millionaires. I say at least make the section applicable solely to people who have the need. That is what the amendment does, and I trust that it will pass.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is a discredited idea, and has been throughout the entirety of the agricultural program. These families in many cases are very large families. Suppose a farmer has nine children. Are you going to deny him any help on a small farm of 50 acres if that family's total income has been \$3,000 in the past year? Does that constitute an affluence? I do not believe that by any wild stretch of the imagination we could say that the sum of \$3,000 in annual family income constitutes affluence.

Mr. Chairman, the amendment is totally impractical and I believe we ought to vote it down.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Of course I yield to the gentleman from Florida.

Mr. CRAMER. Is the gentleman suggesting then that the Economic Opportunities Act passed only last year, and which is just barely getting underway, which makes \$2,500 loans available to low-income rural families, is also outmoded? This is exactly what it does.

Mr. WRIGHT. This is an entirely different concept. We are attempting to alleviate personal hardships in the poverty program. Here we are attempting to stabilize and conserve the land, the useful acres of land in the Appalachian region. I do not believe we ought to limit that application to any farmer just because his family had \$3,000 of income in the past year.

Mr. Chairman, I believe we ought to vote the amendment down.

Mr. CRAMER. Mr. Chairman, if the gentleman will yield further, the only difference is that the Economic Opportunities Act provides for a loan to low-income families and this is a gift. So what we say when we give a gift, you can make it to high-income families, but when we are making a loan, it has to be limited to low-income families.

Mr. WRIGHT. If the gentleman understands—and I am sure he does understand farming practices and agricultural conservation practices—this is not altogether a gift in the sense that it is going to be given to any farmer as a boondoggle. He has to guarantee over a period of up to 10 years that he will do certain things on that land from the standpoint of good conservation practices, and retire certain lands from harmful erosion and overproduction. So he undertakes some obligations on his part which would not immediately be profitable to him.

Mr. Chairman, that has been the accepted practice in the soil conservation movement for the last 30 or 40 years in this country. I believe the amendment ought to be voted down.

Mr. CLEVELAND. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, addressing myself to the last remarks of the gentleman from Texas when he speaks about this soil conservation section of this bill being accepted practice—conservation practice—for the last 30 years. The hearings will show that there is a great departure in this section, a radical departure in this section, from accepted practices because what they do here is to pay up to 80 percent of the costs.

Mr. Chairman, the Members who sit on the side of the aisle with the gentleman from Texas [Mr. WRIGHT] and who know something about this program, may prick up their ears when they hear about this.

Mr. Chairman, the other thing they do under this section for the first time—and this represents a departure—is let the participant sign a 10-year contract. Nowhere else in the country can a person upon entering on soil conservation practices program sign a 10-year contract. But here they can do it.



Mr. Chairman, there are two new striking things about this bill as relate to conservation practices, and the benefits are only going to this area of Appalachia. This is unfair to the rest of the Nation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### Timber development organizations

SEC. 204. (a) In order that the region shall more fully benefit from the timber stands that are one of its prime assets, the Secretary of Agriculture is authorized to—

(1) provide technical assistance in the organization and operation, under State law, of private timber development organizations having as their objective the carrying out of timber development programs to improve timber productivity and quality, and increase returns to landowners through establishment of private nonprofit corporations, which on a self-supporting basis may provide (A) continuity of management, good cutting practices, and marketing services, (B) physical consolidation of small holdings or administrative consolidation for efficient management under long-term agreement, (C) management of forest lands, donated to the timber development organizations for demonstrating good forest management, on a profitable and taxpaying basis, and (D) establishment of a permanent fund for perpetuation of the work of the corporations to be composed of donations, real or personal, for educational purposes.

(2) provide not more than one-half of the initial capital requirements of such timber development organizations through loans under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1926 et seq.). Such loans shall not be used for the construction or acquisition of facilities for manufacturing, processing, or marketing forest products, or for physical consolidation of small timber holdings authorized by (1) (B) above except for the establishment of demonstration units.

(b) Not to exceed \$5,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### Mining area restoration

SEC. 205. (a) In order to further the economic development of the region by rehabilitating areas presently damaged by deleterious mining practices, the Secretary of the Interior is authorized to—

(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines, and to reclaim and rehabilitate existing strip and surface mine areas, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made wholly out of funds specifically appropriated for the purposes of carrying out this Act.

(2) plan and execute projects for extinguishing underground and outcrop mine fires in the region in accordance with the provisions of the Act of August 31, 1954 (30 U.S.C. 551 et seq.), without regard to any provisions therein relating to annual appropriation authorization ceilings. Grants under this paragraph shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act.

(3) expand and accelerate fish and wildlife restoration projects in the region in accordance with the provisions of the Act of

September 2, 1937 (16 U.S.C. 669 et seq.), and the Act of August 9, 1950 (16 U.S.C. 777 et seq.), without regard to any provisions therein relating to apportionments among the States and to limitations on the availability of funds. The expenses of projects under this paragraph shall be paid solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the apportionments among the States pursuant to any other provisions of law.

(b) For the fiscal years 1966 and 1967, notwithstanding any other provision of law, the Federal share of mining area restoration projects carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof.

(c) The Congress hereby declares its intent to provide for a study of a comprehensive, long-range program for the purpose of reclaiming and rehabilitating strip and surface mining areas in the United States. To this general end, the Secretary of the Interior shall, in full cooperation with the Secretary of Agriculture, the Tennessee Valley Authority, and other appropriate Federal, State, and local departments and agencies, and with the Commission, make a survey and study of strip and surface mining operations and their effects in the United States. The Secretary of the Interior shall submit to the President his recommendations for a long-range comprehensive program for reclamation and rehabilitation of strip and surface mining areas in the United States and for the policies under which the program should be conducted, and the President shall submit these to the Congress, together with his recommendations, not later than July 1, 1967. By July 1, 1966, the Secretary shall make an interim report to the Commission summarizing his findings to that date on those aspects of strip and surface mining operations in the region that are most urgently in need of attention. Such study and recommendations shall include, but not be limited to, a consideration of the following matters—

(1) the nature and extent of strip and surface mining operations in the United States and the conditions resulting therefrom;

(2) the ownership of the real property involved in strip and surface mining operations;

(3) the effectiveness of past action by States or local units of government to remedy the adverse effects of strip and surface mining operation by financial or regulatory measures, and requirements for appropriate State legislation, including adequate enforcement thereof, to provide for proper reclamation and rehabilitation of areas which may be strip and surface mined in the future;

(4) the public interest in and public benefits which may result from reclamation, rehabilitation, and appropriate development and use of areas subjected to strip and surface mining operations, including (A) economic development growth, (B) public recreation, (C) public health and safety, (D) water pollution, stream sedimentation, erosion control, and flood control, (E) highway programs, (F) fish and wildlife protection and restoration, (G) scenic values, and (H) forestry and agriculture;

(5) the appropriate roles of Federal, State, and private interests in the reclamation and rehabilitation of strip and surface mining areas and the relative costs to be borne by each, including specific consideration of (A) the extent, if any, to which strip and surface mine operators are unable to bear the cost of remedial action within the limits imposed by the economics of such mining activity, and (B) the extent to which the prospective value of lands and other natural resources, after remedial work has been com-

pleted, would be inadequate to justify the landowners doing the remedial work at their expense; and

(6) the objectives and the total overall costs of a program for accomplishing the reclamation and rehabilitation of existing strip and surface mining areas in the United States, giving adequate consideration to (A) the economic benefits in relation to costs, (B) the prevention of future devastation of reclaimed and rehabilitated areas, (C) the avoidance of unwarranted financial gain to private owners of improved property, and (D) the types of aid required to accomplish such reclamation and rehabilitation.

(d) Not to exceed \$36,500,000 of the funds authorized in section 401 of this Act shall be available to carry out this section. No moneys authorized by this Act shall be expended for the purposes of reclaiming, improving, grading, seeding, or reforestation of strip-mined areas (except on lands owned by Federal, State, or local bodies of government) until authorized by law after completion of the study and report to the President as provided in subsection (c) of this section.

#### Water resources survey

SEC. 206. (a) The Secretary of the Army is hereby authorized and directed to prepare a comprehensive plan for the development and efficient utilization of the water and related resources of the Appalachian region, giving special attention to the need for an increase in the production of economic goods and services within the region as a means of expanding economic opportunities and thus enhancing the welfare of its people, which plan shall constitute an integral and harmonious component of the regional economic development program authorized by this Act.

(b) This plan may recommend measures for the control of floods, the regulation of the rivers to enhance their value as sources of water supply for industrial and municipal development, the generation of hydroelectric power, the prevention of water pollution by drainage from mines, the development and enhancement of the recreational potentials of the region, the improvement of the rivers for navigation where this would further industrial development at less cost than would the improvement of other modes of transportation, the conservation and efficient utilization of the land resources, and such other measures as may be found necessary to achieve the objectives of this section.

(c) To insure that the plan prepared by the Secretary of the Army shall constitute a harmonious component of the regional program, he shall consult with the Commission and the following: the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Health, Education, and Welfare, the Secretary of the Interior, the Tennessee Valley Authority, and the Federal Power Commission.

(d) The plan prepared pursuant to this section shall be submitted to the Commission. The Commission shall submit the plan to the President with a statement of its views, and the President shall submit the plan to the Congress with his recommendations not later than December 31, 1968.

(e) The Federal agencies referred to in subsection (c) of this section are hereby authorized to assist the Secretary of the Army in the preparation of the plan authorized by this section, and the Secretary of the Army is authorized to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to the preparation of this plan and on such terms as he may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

(f) The plan to be prepared by the Secretary of the Army pursuant to this section



shall also be coordinated with all comprehensive river basin plans heretofore or hereafter developed by United States study commissions, interagency committees, or similar planning bodies, for those river systems draining the Appalachian region.

(g) Not to exceed \$5,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

**Part B—Supplementations and modifications of existing programs**

**Vocational education facilities**

Sec. 211. (a) In order to provide basic facilities to give the people of the region the training and education they need to obtain employment, the Secretary of Health, Education, and Welfare is authorized to make grants for construction of the school facilities needed for the provision of vocational education in areas of the region in which such education is not now adequately available. Such grants shall be made in accordance with the provisions of the Vocational Education Act of 1963 (77 Stat. 403), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) Not to exceed \$16,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

**Sewage treatment works**

Sec. 212. (a) In order to provide facilities to assist in the prevention of pollution of the region's streams and to protect the health and welfare of its citizens, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction of sewage treatment works in accordance with the provisions of the Federal Water Pollution Control Act (33 U.S.C. 466 et seq.), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States pursuant to any other provision of law.

(b) Not to exceed \$6,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

**Amendments to Housing Act of 1954**

Sec. 213. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking the word "and" at the end of paragraph (7), by substituting for the period at the end of paragraph (8) the phrase "; and", and by adding a new paragraph (9) to read as follows:

"(9) the Appalachian Regional Commission, established by the Appalachian Regional Development Act of 1965, for comprehensive planning for the Appalachian region as defined by section 403 of such Act."

(b) Section 701(b) of the Housing Act of 1954 (40 U.S.C. 461(b)), is amended by adding before the period at the end of the first sentence the following: ", to States participating in planning for Appalachian regional programs, for expenses incurred in the course of such planning, or to the Appalachian Regional Commission".

**Supplements to Federal grant-in-aid programs**

Sec. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary

of Commerce is authorized, pursuant to specific recommendations of the Commission approved by him and after consultation with the appropriate Federal officials, to allocate funds appropriated to carry out this section to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of such Federal grant-in-aid programs. Funds so allocated shall be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such project otherwise authorized by the applicable law. Funds shall be so allocated for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Such allocations shall be available without regard to any appropriation authorization ceilings in such Act.

(b) The Federal portion of such costs shall not be increased in excess of the percentages established by regulations promulgated by the Secretary of Commerce, and such regulations shall in no event authorize the Federal portion of such costs to exceed 80 per centum thereof.

(c) The term "Federal grant-in-aid programs" as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other Federal grant-in-aid programs authorized on or before the effective date of this Act by Acts other than this Act for the acquisition of land and the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

(d) Not to exceed \$90,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

**Part C—General provisions**

**Maintenance of effort**

Sec. 221. No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds, exclusive of Federal funds, for the benefit of the area within the State located in the region are maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act. In computing the average level of expenditure for its last two fiscal years, a State's past expenditure for participation in the National System of Interstate and Defense Highways shall not be included. The Commission shall recommend to the President or such Federal officer or officers as the President may designate, a lesser requirement when it finds that a substantial population decrease in that portion of a State which lies within the region would not justify a State expenditure equal to the average level of the last two years or when it finds that a State's average level of expenditure, within an individual program, has been disproportionate to the present need for that portion of the State which lies within the region.

**Consent of States**

Sec. 222. Nothing contained in this Act shall be interpreted as requiring any State to engage in or accept any program under this Act without its consent.

**Program implementation**

Sec. 223. A program and projects authorized under any section of this title shall not be implemented until (1) the Commission has consulted with the appropriate official or officials concerned with such program and projects as may be designated by the Governor or Governors of the State or States involved and has obtained the recommendations of such official or officials with respect to such program and projects and (2) plans with respect to such program and projects have been recommended by the Commission and have been submitted to and approved or modified by the President or such Federal officer or officers as the President may designate.

**Program development criteria**

Sec. 224. (a) In developing recommendations on the programs and projects to be given assistance under this Act, and in establishing within those recommendations a priority ranking of the requests for assistance presented to the Commission, the Commission shall follow procedures that will insure consideration of the following factors:

(1) the relationship of the project or class of projects to overall regional development including its location in an area determined by the State have a significant potential for growth;

(2) the population and area to be served by the project or class of projects including the relative per capita income and the unemployment rates in the area;

(3) the relative financial resources available to the State or political subdivisions or instrumentalities thereof which seek to undertake the project;

(4) the importance of the project or class of projects in relation to other projects or classes of projects which may be in competition for the same funds;

(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic and social development of the area served by the project.

(b) No financial assistance shall be authorized under this Act to be used (1) in relocating any establishment or establishments from one area to another; (2) to finance the cost of industrial plants, commercial facilities, machinery, working capital, or other industrial facilities or to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors; (3) to finance the cost of facilities for the generation, transmission, or distribution of electric energy; or (4) to finance the cost of facilities for the production, transmission, or distribution of gas (natural, manufactured, or mixed).

Mr. CRAMER (interrupting reading of bill). Mr. Chairman, I ask unanimous consent that title II of the bill be considered as read and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Are there any amendments to this title?

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:



Amendment offered by Mr. MICHEL: On page 24, line 1, strike out "1967" and all that follows down through and including the period on line 5 and insert in lieu thereof the following: "1966."

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, my amendment would keep the study phase of the program of reclaiming and rehabilitating strip and surface mining areas in the United States from being unnecessarily and unduly prolonged. It is a simple uncomplicated amendment. As now stipulated in the bill, the Secretary of the Interior, with the full cooperation of other interested agencies, would proceed with the survey and study. Based thereon, the Secretary would submit the study and his recommendations to the President for a long-range comprehensive program, together with the policies under which the program should be conducted. And these in turn would be submitted to the Congress, with the President's recommendations. Under my amendment all of this would be wrapped up, concluded, not later than July 1, 1966. Thus, only one report would be required—the present provision of S. 3 for an interim report by July 1, 1966, with a final report not due until July 1, 1967, would be reduced by my amendment to a single, final report due not later than July 1, 1966.

There are several good reasons why July 1, 1966, is a feasible and realistic terminal date on the study phase of such rehabilitation.

First. Though strip mining is not tightly localized, the total area to be studied is nevertheless rather small. The total for the United States which has been strip mined for coal since 1866 does not exceed 1,100 to 1,200 square miles—about the size of one of our Illinois counties. If we add on the land which has been stripped for phosphate rock, gold, and iron ore, we are dealing overall with a total area which approximates the size of only two counties. Even two counties ought not to require 2 years, in my judgment.

Second. A very large amount of the information required for the six points to which the study and recommendations are specifically directed by section 205(c) is surely available in the States and local areas.

Some, perhaps many, counties have been completely photographed from the air. Much of this is very up-to-date, but could presumably be quickly done again, if desirable. Counties have property plat books and informed officials who know who owns what.

Third. States and private companies have, for a good period of time, experimented with rehabilitation of stripped areas. They have had a lot of good experience with comparative methods of reclamation and rehabilitation, the costs involved, the public and private benefits and uses of such areas after restoration. Much or all of this experience is available—the task is one of drawing on it and collation. If Illinois is a guide, and I think it is, the study will reveal that a lot of this land has been reclaimed, ex-

cepting the raw, new stripping which has not yet had time to be conditioned by the natural elements.

The other day I spoke in support of a bill I had introduced then, and at that time I pointed out that some 17,000 acres of mined areas have been reforested with over 17 million trees.

Approximately 23,000 acres are being used for pasture to graze some 10,000 head of cattle, hogs, and sheep.

Almost 9,000 acres have been developed as recreational areas—including a State park, many private clubs, sportsmen's clubs, and the Southern Illinois University research area.

Lakes and ponds in excess of 2 acres each have been formed by mining operations on some 6,500 acres. These are generally heavily fished with many companies allowing use through a permit system.

Row crops—hay, corn, and so forth—are grown on approximately 3,000 acres.

Commercial orchards have been planted on some 135 acres of mined lands.

Over 8,000 acres are presently in some stage of development for one or more of the uses listed above.

Fourth. Under the amendment adopted by the other body, reclamation and rehabilitation work prior to the completion of the study would be closely limited to stripped area on public lands.

The amount of money which would be authorized by this bill for mining area restoration is very substantial—\$36,500,000. We cannot get on with the real work to be done until the study is done and the President has made his recommendations to Congress. My reaction is that if 1 year is adequate time for the study, there is no earthly reason for tying up the major part of the rehabilitation program for 2 years.

Fifth. If the due date on the study and recommendations is set at July 1, 1966, this Congress, which originated the legislation, will have an opportunity to take such action as seems pertinent thereon. Hence, it is my conclusion that a due date not later than July 1, 1966, is not only feasible but highly desirable from the standpoint of the rehabilitation program itself and for the interests of this Congress.

Mr. CLARK. Mr. Chairman, I rise in opposition to the amendment.

There are five major land problems in the coal-mined areas of Appalachia which contribute to unemployment, economic decline, and poverty.

First. Many areas are plagued by cave-ins and surface subsidence. Cave-ins occur due to past underground mining practices. Cave-ins cause buildings to collapse; streets and sidewalks to crack; water, sewer, and other utilities to be disrupted.

Second. Underground mine fires burn in many old mines. These fires pollute the air with toxic smoke containing a great amount of sulfur. Such fires are a health hazard. They have destroyed property, and discourage industry from locating or expanding in the area.

Third. The ravaged landscape of abandoned strip mines presents another problem. Strip mine scars are ugly.

They repel tourists and discourage housing development. Unreclaimed strip mines act as a source of acid drainage, thus contributing to water pollution. These sites also provide sediment for erosion which fills stream channels. Sediment clogged channels increases flood hazards. It also causes silting of reservoirs, diminishing the value of the dams that have been or may be built. Fish cannot survive in this polluted water.

Fourth. Many refuse dumps and spoil banks left by past mining operations are burning. These fires pollute the air and threaten the health of residents of the area. The nonburning spoil banks are unsightly and discourage industrial development. Many spoil banks and refuse dumps are on relatively flat land—a valuable asset in the mountainous area of Appalachia.

Fifth. The fifth major problem, and by no means the least in importance and effect, is the water pollution from mine drainage. Acid mine polluted waters are unfit for: water supplies for communities, industrial water use, recreation, and fish and wildlife propagation and management. Polluted streams keep the tourists away, and prevent the residents of the area from fully benefiting and enjoying the place in which they live.

There are some present Federal and State programs designed to help alleviate these problems.

The Bureau of Mines has authorization to control and extinguish fires in abandoned underground mines but only in the anthracite region of Pennsylvania.

The Bureau of Mines has authorization to control flooding on underground mines in order to reduce acid pollution of the streams. The Bureau of Mines can also fill voids in underground mines to prevent cave-ins and acid drainage.

Funds are available to the States from the Fish and Wildlife Service for land reclamation for wildlife restoration. A State may spend these funds on strip mine lands.

The present programs are not comprehensive enough in scope. The appropriations and spending limits in these programs are too low to solve these coal mine area problems.

The Appalachian Development Act provides for an expansion of these important and necessary programs. The act increases the available funds to seal and fill voids in abandoned mines. It provides for an increased effort on the part of the States in reclaiming abandoned strip mines, and rehabilitating ravaged land.

The act also increases funds for extinguishing underground mine fires and burning refuse dumps and spoil banks.

This increased mine area restoration activity in the region provided for by the act is necessary and just compensation due the area which provided low-cost fuels to the United States. The coal mined in Appalachia, at what is now the expense of Appalachians, has provided the fuel for electricity and heat for the homes in many areas outside the re-



gion—Chicago, Detroit, Cleveland, New York, and so forth.

The Appalachian States are contributing to this effort of land reclamation.

First. They are sharing the cost of this expansion of the mine area restoration programs.

Second. The States have passed legislation to prevent such problems from developing out of present mining activities. These laws are being enforced.

Finally, the act assures that these reclamation funds will be spent on public property only. There will be no windfall profits to a few at the expense of many.

It is the responsibility of the Nation to help restore these lands from which the country benefited. It is the responsibility of the Nation to help correct a situation which prevents an area from developing and enhances poverty.

Mr. DENT. Mr. Chairman, today this House will attempt to put into law the President's long desired program for the redevelopment and rehabilitation of distressed areas in this administration's antipoverty drive in that long neglected area of the Eastern United States better known as Appalachia.

Mr. Chairman, words only help to explain where explanation is necessary. In this case explanation is necessary because of the false charges that this legislation is discriminatory to other sections of the Nation.

This is not true and the record proves it. The people from Appalachia have paid taxes of billions of dollars to the South, Southwest, and the West in the form of subsidies on tobacco, peanuts, and cotton and other regional products.

Again, the people of Appalachia have paid more billions for programs, for power complexes, irrigation dams, and reclamation projects all over the Nation on a regional base.

Certainly, no area has a more clear cut claim for understanding and consideration than the worked-out, worked-over areas in Appalachia.

I assure you this proposal will help the Nation as a whole by helping Appalachia to help itself.

The history of this legislation idea is short but the history of the area of Appalachia is one that should be reviewed by all before making a decision based upon a false and misleading premise.

Aware that the economic growth of Appalachia lagged far behind the Nation's as a whole as evidenced by high unemployment, poor education, lack of housing, and so forth, the Governors of the region formed the Conference of Appalachian Governors in 1960 to study their mutual problem and to determine means for Appalachia to develop its vast potential. After 3 years of study the Governors concluded that assistance from the Federal Government was necessary for the revitalization of their region and at their request the President's Appalachian Regional Commission was established in April 1963 by President Kennedy. After a 1-year study, the Federal-State body reported to President Johnson on the economic difficulties in Appalachia with recommendations for a coordinated Federal-State-local program to assist Appalachia with its most urgent problems.

President Johnson in April 1964 first submitted the administration's Appalachia proposals to Congress.

For the purposes of the Appalachian Regional Development Act of 1965, Appalachia consists of the entire State of West Virginia and portions of 10 other States—Alabama, Georgia, Tennessee, South Carolina, North Carolina, Kentucky, Virginia, Maryland, Ohio, and Pennsylvania. The Kennedy—Democrat of New York—and Javits—Republican of New York—amendment adopted by the Senate provides for the future inclusion of 13 poverty-stricken counties in southern New York if the Commission so recommends after consultation with the New York Governor.

Sixteen million people live in the 165,000-square-mile area of Appalachia, an underdeveloped region characterized by low income, high unemployment, lack of urbanization, low educational achievement and a low standard of living—1 out of every 3 families lives on an annual income of \$3,000 or less. Per capita income in Appalachia region is 35 percent below that for the rest of the United States.

The overriding objective of the Appalachia bill is to accelerate the economic development of the area in order to raise the standards of human existence in Appalachia to a level comparable to the rest of the United States.

#### MAJOR PROVISIONS OF S. 3 AS REPORTED (H. REPT. 51)

First. Establishes Appalachian Regional Commission consisting of 11 Governors and 1 Federal representative to prepare plans and programs for the economic development of Appalachia and to coordinate the Federal-State-local efforts. Federal Government to pay administrative expenses of Commission for first 2 years, estimated at \$2.2 million. Thereafter expenses to be shared equally by Federal Government and the States.

Second. Highways: Authorizes \$840 million over 5 years to construct 2,350 miles of development highways and 1,000 miles of local access roads. Federal aid limited to 70 percent of construction project costs. States will contribute \$360 million to development highway system.

Third. Health facilities: (a) Authorizes \$41 million in construction grants for multicounty demonstration health facilities, including hospitals and diagnostic and treatment centers. Construction grants limited to 80 percent of project costs. (b) Authorizes \$28 million for operations of health facilities. Operation grants may cover 100 percent of costs for first 2 years and up to 50 percent for next 3 years.

Fourth. Land conservation: Authorizes \$17 million in grants for soil conservation, erosion control, and land improvement purposes. Grants to any landowner in region limited to 80 percent of improving not more than 50 acres of land.

Fifth. Timber: (a) Secretary of Agriculture to provide technical assistance in the establishment and operation by local interests of private, nonprofit timber development organizations to provide improved timber productivity; (b) authorizes \$5 million in loans to timber development organizations to be used for

improved management, cutting and marketing of timber.

Sixth. Mining area restoration: Broadens authority of Interior Secretary to: (a) Seal and fill in voids in abandoned coal mines; (b) extinguish underground and outcrop mine fires; (c) expand and accelerate restoration of fish and wildlife habitat destroyed by strip mines and stream pollution from mine drainage; (d) reclaim and rehabilitate strip and surface mine areas; authorizes Interior Secretary to make comprehensive strip mine study by July 1, 1967. Authorizes \$36.5 million for mining area restoration with Federal limit of 75 percent of total project costs.

Seventh. Water resources: Authorizes \$5 million for Secretary of Army to prepare program for development of water resources in Appalachia.

Eighth. Vocational education: Authorizes additional \$16 million for construction of vocational school facilities in Appalachia under Vocational Educational Act of 1963.

Ninth. Water pollution: Authorizes additional \$6 million for sewage treatment programs in Appalachia under Federal Water Pollution Control Act.

Tenth. Planning grants: Makes Appalachia Regional Commission eligible to receive planning grants under Housing Act of 1954.

Eleventh. Authorizes \$90 million to increase Federal contribution to grant-in-aid programs above the fixed maximum portion authorized for Appalachia communities unable to supply matching funds. Federal portion may not be increased above 80 percent of cost and only those grant-in-aid programs providing funds for land acquisition, construction and equipment programs may receive supplemental funds.

Twelfth. Defines local units to which Commission will give assistance through the State government. Local development districts will be nonprofit organizations certified by the State as having responsibility for the economic development of counties or other specified areas.

Thirteenth. Authorizes \$5.5 million in grants to public or private organizations for research or demonstration projects to further purposes of act; and to local development districts to cover administrative expenses—limited to 3 years and 75 percent of expenses for any single district.

Fourteenth. Provides for the termination of the act on July 1, 1971.

Why is Congress called to this point of discussion in a nation heralded all over the world as the land of plenty and uncounted wealth and opportunity?

The answer is not a simple one. To understand our dilemma we must recognize that we have the poor amidst prosperity.

Lingering poverty in the shadow of unrivaled affluence is the painful paradox of American life today. In a single generation, the richest country on earth has banished the bleak specter of "The Grapes of Wrath" with the gilded fantasy of "The Beverly Hillbillies." But reality has hardly kept pace with the American dream.

Coming from Pennsylvania, one of the States within the confines of Appala-



chia, the cold facts always disclose the close association between coal and the problems of Appalachia.

The House Public Works Committee, in its report on H.R. 11946, recognized that coal is the "single largest resource and industry in all of Appalachia" and made this recommendation:

The Federal and State Governments should, as a part of the general attack on poverty in Appalachia, do everything within their power consistent with a free market for fuel to encourage the production of bituminous coal.

The Senate Public Works Committee report on S. 7828, made this statement:

Coal remains the single largest resource of the region, and it is of the utmost importance to the development of the area that there be opened new markets for coal. It is the intent of this committee that the (Appalachian regional) Commission should include within its efforts the study of the development of such new markets.

Many of the problems which beset the coal industry—excessive imports of residual fuel oil, Government subsidy for nuclear power to compete against coal in the electric utility market and sale of natural gas at dump prices during off peak demand periods—cannot be dealt with in this legislation. But we urge you to keep in mind when these matters are before the Congress that whatever might be done in this legislation to assist Appalachia could be more than offset by continued Government policies on residual oil imports, subsidization of civilian nuclear power and dump sales of natural gas.

Not long ago the following statement was made by W. Willard Wirtz, Secretary of Labor:

We have got to do whatever is necessary to release the private economy to produce more jobs. The Government is not going to solve the unemployment problem. Private industry must do so, although the Government can assist by creating conditions and a climate to encourage private industry.

As the above quotation from Secretary Wirtz makes clear, the private sector of the economy must take the lead in creating these urgently needed new jobs. Expansion of coal production is one way men could be put back to work without multimillion dollar Government projects.

Coal is the single largest resource and industry in Appalachia. Despite the reduction of employment in recent years due to a combination of shrinking markets and automation of mining operations, the production of coal still provides, as of 1963, 126,000 well paid, stable jobs in the area, and its transportation provides full-time employment for 70,000 workers.

Coal has gone through a difficult transition period. The industry now appears to have turned the corner. Production is increasing slowly and the rapid increase in productivity, which has prevented employment from matching increases in production, is leveling off. Many mines are operating at, or near, capacity.

Any reasonably large increase in coal production would now provide many additional high-paid, stable jobs for the already trained work force of Appalachia, as well as substantial additions to the

incomes of those now employed on less than full-time basis.

Other benefits would accrue to Appalachia as the result of 100 million tons of increased coal production.

An additional \$40 million annually would be paid into the United Mine Workers Welfare Fund, to finance retirement benefits for retired workers.

An estimated \$10 per ton of annual capacity would have to be spent by coal companies to build needed new production facilities.

Railroads would have to spend \$1,295,600,000 for new facilities and rolling stock, much of it in Appalachia. For example, one of the largest coal-carrying railroads recently announced plans to build 1,500 95-ton hopper cars in its own Roanoke shop, thus assuring employment for 600 persons for 1 full year, and another is now contemplating an expenditure of \$80 million for coal transportation equipment.

Economists say that each mine job creates at least two additional jobs. Thus, increased coal production of 100 million tons would mean 64,000 new jobs in unrelated business fields.

The entire economy of Appalachia would benefit. The \$297 million in wages paid to miners and railroad workers would turn over three times as it works its way through the channels of commerce, thus creating jobs and income in all types of businesses.

Expansion of coal production by a significantly greater amount than now seems feasible is not an idle dream. It can be accomplished without massive Government expenditures or without injecting the Government into activities which should remain the province of private enterprise.

The primary need is for the creation of a climate in which the coal industry can have reasonable expectation of growth. At present, several key Government policies inhibit, rather than encourage, the growth of coal markets and coal production.

Such policies create uncertainties about the future. They contribute to unstable conditions which discourage investments in new mines and transportation facilities.

What is needed are policies that will give coal an opportunity to compete for a fair share of the growth market for fuel and will provide an incentive to make long term job-producing investments.

One conclusion is inescapable: Without spending one dime or distorting in any way a free market for fuel, the Government can shift its policies to encourage coal production rather than to discourage it as at present. And, this added coal production will create new jobs and more dollar income, thus stimulating the entire economy of Appalachia.

Mr. Chairman, again I say I am happy to join in support of H.R. 11946, the Appalachian Regional Development Act of 1964.

The program authorized in this bill will serve an urgently needed purpose. It provides the vehicle through which the government at all levels—local, State, and Federal—can work together, along with local and regional organizations, in

making a start on the economic rehabilitation of this large and important area.

The programs which this legislation would authorize will not, of course, result in the overnight rehabilitation of the region. This will take time and much hard work on the part of dedicated men and women from throughout Appalachia. The important thing about this legislation is that a start is being made.

My only objection to the legislation is that it does not go as far as I think it should in emphasizing the fact that expanded coal production is one of the keys to the economic revitalization of the area. I am pleased that the House Public Works Committee, in its report, took notice of the importance of coal to the region.

In any real permanent solution to the problems of Appalachia attention must be directed toward bituminous coal—

The committee report states.

And the report makes this significant statement:

The Federal and State governments, should, as a part of the general attack on poverty in Appalachia, do everything in their power consistent with a free market for fuel to encourage the production of bituminous coal.

There are sound reasons why the committee report went on record in favor of expanded coal production.

Coal is the largest single resource and industry in all of Appalachia, as the report makes clear, and even today, after the coal industry has gone through a difficult and trying period of automation and readjustments, it still provides 196,000 coal production and transportation jobs, with a payroll of about \$1 billion a year.

But more significantly, from the standpoint of what we are trying to accomplish through this legislation, is what expanded coal production can mean in terms of new and added jobs and payrolls for Appalachia.

It is important to bear in mind that the coal industry has reached a peak of productivity per worker which is now beginning to level off. This means that further increases in coal production will have to come, for the most part, from added workers and not from a stepped-up daily output.

The Public Works Committee in its report on this legislation, recognized that increased coal production would mean more jobs and a shot in the arm for the entire economy of Appalachia.

Unfortunately, this legislation cannot deal with the problems which more than anything else are today impeding an expansion of coal production in Appalachia.

First, there is the matter of imported residual fuel oil. This waste product produced abroad, is sold almost exclusively in east coast markets where Appalachia has historically found its major outlets.

Residual fuel oil imports must be stabilized before the full potential of expanded coal production is realized in Appalachia. Just how large that potential is can be seen from estimates that in the next 10 years east coast utilities will burn an additional amount of fuel equal to 63 million tons of coal.



With stabilized oil imports, which will prevent the foreign fuel from completely taking over the east coast fuel market, coal stands an excellent chance of winning this market.

What would additional coal production of 63 million tons annually mean to Appalachia?

It would mean 30,000 new jobs for miners and railroad workers.

It would mean an added direct payroll of some \$200 million a year.

It would mean the creation of thousands of other jobs as this huge payroll and capital expenditures work their way through the channels of commerce of the area.

I might add, Mr. Chairman, that all of this could be achieved without the expenditure of one dollar of Government funds.

All that is needed is the stabilization of residual oil imports at or near current levels, with assurances that this level will be continued. There is legislation introduced or endorsed by 200 Members of both Houses to achieve this purpose and I regret that it cannot be taken up at this session as a supplement to this Appalachian recovery bill. The two pieces of legislation compliment and supplement each other. I am fearful that the program we pass today will not be nearly as effective as it would be if we were to pass both of them in one package.

I urge my colleagues to give careful consideration to this residual fuel oil import problem and the role excessive imports play in checking and retarding coal production in Appalachia. This is a problem which must be faced—and soon.

Mr. Chairman, I would also like to call attention to another Government policy which is operating to prevent the coal industry from achieving its full potential for expanded production and, thereby, create new jobs and payrolls where they are most urgently needed. As is the case with residual fuel oil imports, this problem cannot be corrected in this legislation, but it is important enough to call to the attention of the House.

I refer to present policy relating to the development of civilian nuclear power.

What the Government is doing is to finance and subsidize the creation of an industry to compete in coal's principal market—electric utilities.

Nuclear power is today a reality. It can compete with coal-produced electricity in many areas of the Nation.

Many of us in this House believe the time has come for the Government to step out of the picture and turn the job over to private enterprise. I refer to those reactor concepts which have been developed to a point of practical value. Utilities are willing to build them and General Electric and Westinghouse are willing to manufacture them for a set price. So I say—let these private industries do the job. There is no reason for the Government to spend time and money in encouraging the building of large converter reactors which have already been proven.

The Government still has a vital and important role to play, and that is in developing new concepts and new ideas,

such as the fast breeder atomic reactor—one that will produce more energy than it consumes. The fast breeder is the key that may some-day unlock vast potential sources of energy for the Nation. The Government has a legitimate interest in spending money on such research activities but it cannot justify continued spending on reactor concepts which have already been proven.

What I am really asking is that coal be given competitive equality with nuclear fuel under our free enterprise system. The recent passage of the legislation calling for private ownership of nuclear fuel was a step in this direction. The next step is for the Congress to pass legislation restricting future Government activity to the advanced concepts—such as the fast breeder reactor—and to turn over the remainder of our successful and “going” civilian nuclear power program to private industry.

Policy changes in both of these areas—imported residual oil and nuclear power could have a profound effect upon coal and future job opportunities for Appalachian residents and I hope that during the next session legislation such as I have discussed will be taken up early.

Meanwhile, Mr. Chairman, I urge the passage of this bill before us today as a start toward a better and more meaningful life for the people of Appalachia.

I plead for the support of the House Members today simply because this program will help my State to help itself. We do not ask for a handout or a take-over by the Federal Government of our responsibilities and obligations but rather we ask only for Federal aid in doing a job we are trying to do for ourselves to the limit of our ability.

Our State leaders, including the Members of the House of Representatives, presented to the President the problems peculiar to our State and received the President's pledge of support in the form of a special addition of \$10,600,000 for coal producing areas.

If Congress agrees, the money would be used to begin a 10-year program estimated to cost \$436.25 million in Pennsylvania alone. During the next fiscal year, it would provide:

First, \$1.07 to help prevent surface cave-ins by flushing fill material into abandoned coal mines now in danger of collapsing. Total cost: \$35 million.

Second, \$3 million for control of underground mine fires. Total cost: \$9 million.

Third, \$2.4 million for refilling and reforestation of abandoned strip mines. Total cost: \$109 million.

Fourth, \$2.15 million to eliminate both burning and nonburning culm piles. Total cost: \$30.25 million.

Fifth, \$1 million to eliminate water pollution caused by mine drainage. Total cost: \$253 million.

For some idea of the critical nature of all five problems, and what Pennsylvania already is doing about it—the following should explain the situation clearly:

Pennsylvania's 210,000 acres of strip mine pits—abandoned before the 1963 legislature required operators to backfill in the interests of good conversation—are ugly.

They repel tourists, keep industry

away. In addition, they are a source of acid drainage which pollutes streams and a waste of what could become valuable land resources, both recreational and industrial.

Today, fortified by the strongest strip mine control legislation in the Nation, Pennsylvania is spending \$500,000 annually in rehabilitation of these areas through both backfilling and reforestation.

At an estimated cost of \$500 per acre in the anthracite fields—\$480 in the bituminous area—this means that nearly 1,000 acres are now being restored each year by the State on its own.

If, however, Federal funds are made available by Congress under the Appalachia program, the job could be done five times as fast. Immediate impact: A boost of from 1,000 to 5,000 acres in the total to be rehabilitated during fiscal 1964-65.

Currently, 27 underground mine fires are burning in Pennsylvania—endangering human life, destroying surface property, and driving industry away from the hard-hit coal regions.

Since 1953, some 45 other fires have been extinguished at a cost of \$250,000 annually in State funds, plus an additional \$150,000 a year from the Federal Government. Of these 35 were in the bituminous area, 10 in the anthracite.

Today, a major urban renewal project is underway in Carbondale where more than 404 families in a 100-acre area have been affected by a major underground mine fire. Several persons died from carbon monoxide seepage, homes were tipped, streets cracked—and clearance and redevelopment of the entire area is necessary before the fire itself can be extinguished.

At Laurel Run, an underground mine fire that has been burning for 50 years threatens 181 homes, parts of Wilkes-Barre Township and the city of Wilkes-Barre itself. A 24-hour patrol of the area is underway to constantly check against lethal gases, and the urban renewal formula again will be used to evacuate residents, clear the area, put out the fire and rehabilitate the land.

Inclusion of the additional \$3 million allocation in the Appalachia program at the request of Governor Scranton means that the problem can be attacked in other areas where the fires are fully as dangerous, if less dramatic than those.

A major factor which has deterred industrial expansion in Pennsylvania's coal regions is the danger of surface subsidence above abandoned coal mines.

Because of this, the surface gives way, buildings collapse, water and sewer lines are destroyed and families forced to flee their homes. Industry, which could take up some of the unemployment slack, shuns such areas.

Since 1953, Pennsylvania already has treated 49 such areas in the bituminous fields by flushing fill material back into mines in danger of collapse. Eight similar areas have been completed in the anthracite fields.

But much still remains to be done—including Federal approval of Governor Scranton's suggestion that areas threatened by mine subsidence be made eligible for urban renewal. Such a concept



also would permit payment of preface value in urban renewal purchases from homeowners whose properties are actually damaged by mine caves.

Presidential approval already has been given to a requested \$1 million added appropriation to continue preventive measures on a long-range basis—as well as an additional \$700,000 to be used in urban renewal projects.

Congressional approval would step up Pennsylvania's own fight on mine subsidence in 7 areas still remaining to be treated in the bituminous fields, plus 35 others in the hard coal regions, including an even dozen in the city of Scranton alone.

Long deplored by Pennsylvania outdoorsmen and conservationists as the major disease that has killed some 2,000 miles of State streams, acid mine drainage can be cured—at a cost of \$253 million.

Currently, Pennsylvania is spending \$55,000 annually on basic and applied research for the prevention of stream pollution from mine acids, iron and siltation and make the water again fit for both recreational and industrial use.

But action programs to both seal off abandoned mines and build effective plants and processes to eliminate or treat acid mine drainage also are needed.

To this end, the coal industry itself has contributed \$50,000—and the legislature currently is considering an appropriation of another \$100,000—toward construction of a pilot plant to do the job.

Despite the fact that the Appalachia report already contemplates research activities towards more economical methods of reducing acid mine drainage, President Johnson already has approved Governor Scranton's personal appeal for \$1 million to begin practical antipollution measures now.

Congressional approval—as a part of the overall program aimed at restoring prosperity to the entire Appalachia region—means that Pennsylvania can move speedily ahead on an effective program of cure already in progress.

Both Pennsylvania's anthracite and bituminous areas are dotted with hundreds of burning and nonburning culm piles and other spoil banks of the mining industry.

At best, all are unsightly, discourage job-creating industry from locating in the area, use up needed land and, when ignited, form a serious air pollution health menace. Current count: 117 burning the bituminous, 25 in the anthracite areas, plus uncounted hundreds of nonburning refuse banks.

Currently, the legislature has appropriated \$325,000 to be used on burning banks, \$200,000 of it to remove "hot spots" and the balance—to be matched by Federal funds—to design, construct, and operate a pilot plan for elimination of air pollution.

In addition, the legislature is currently considering a bill appropriating \$400,000 to design, construct, and operate a cleaning plant to process nonburning refuse banks to extract both low-grade fuel and high-grade nonburning refuse to be used

as underground fill to prevent mine subsidence.

Actual production of the latter material already is going on through use of a new, \$100,000 portable crushing and screening plant, and the State already has made plans to buy another. Both will be paid for from Federal-State funds on a 1-to-1 matching basis.

Congressional approval of \$2.15 million through the Appalachia program will mean that Pennsylvania not only can begin a detailed survey for planned action but actually spend \$2 million of it on removal of both burning and nonburning culm banks in the next fiscal year.

Mr. Chairman, the local area newspapers have covered this great effort.

I believe the following special reports will help to completely dispel every doubt as to the need for this legislation:

[From the Washington Evening Star, Feb. 12, 1965]

#### POVERTY IN APPALACHIA

(By Haynes Johnson)

UNIONTOWN, PA.—By every standard, this town near the West Virginia border and the Mason-Dixon line is in economic trouble.

It is the old gateway to the West, the place where the western range of the Appalachians breaks and slopes toward the valley and the Monongahela River beyond.

It is also the seat of Pennsylvania's most depressed county, Fayette.

For more than a decade Fayette County has had a higher proportion of people out of work than any other labor market in the State.

Only a handful of areas in West Virginia, Kentucky, and Puerto Rico have such a bleak record.

From 1957 to 1961, one out of every five workers was unemployed. Today, more than 14 percent of the work force is still unemployed. Population has declined and half of the families earn less than \$4,200 a year.

These statistics sound familiar to anyone who knows Appalachia. Yet the real significance of what is happening here lies in another direction: Uniontown and Fayette County have refused to give up. They are fighting back, and the atmosphere is one of guarded optimism.

#### OFFICIAL IS OPTIMISTIC

"Oh, there's no question that we hit the bottom a year ago," said Frank A. Gradler, director of the Fayette County Development Council. "We can't go any lower than that. But I think we've got a pretty good record when you look at the picture."

"You know, we're always held up as an example of a depressed area. Well, we don't use that word. We're not depressed. Sure, we're distressed. Why the Federal Government has made so many studies that it's pitiful—and they never have any answers. They're still making them."

"We don't study the studies too much. We know what the problems are and we're doing something about them."

What is being done is heartening for Appalachia. On local initiative and leadership since 1958, 11 companies have located in the county, resulting in capital expenditures of \$4.3 million. Financing has been provided by local banks, local development corporations and the State's industrial development authority. None of the financing came from the Federal Government.

This has been accomplished principally because the community leaders, spearheaded by those in Uniontown, decided to approach their problems on a countywide basis. In the past, the 19 townships within the

county were jealous of their prerogatives and suspicious of their neighboring communities. That all changed in 1954.

#### CREATED OWN COUNCIL

In that year, the county leaders agreed to raise \$100,000 for a 4-year attack on the joint problems of the area. The result was the creation of the county development council, which continues to function aggressively today.

The history of Uniontown is a recurring theme of Appalachia; everything here centered around coal. Coal was king, and no one could foresee the day when it would not reign. For years the mines employed 22,000 men. "Then along came the war," one man recalled, "and they dug every bit of coal—and dug it fast. As a result it was depleted."

From 1946 on, Fayette County was on the skids, with the coal decline greasing the way. Mine employment plummeted. Today no mines are open in the county and the hills bear the scars of the last attempts to extract coal—the mark of the strip miners. Consequently, the miners make up the bulk of the unemployed.

"We can't point to anything that coal bought for this area," an old teacher said, bitterly. "The coal companies took the money out, and those who made the money gave it to the children and they went to New York a long time ago."

Now the county is trying to reconstruct itself without the economic standard of the past.

#### STEADY GROWTH SEEN

In its battle against economic extinction, the leaders are practical and realistic.

"I can't see that we're going to have any spectacular growth or boom," said Mr. Gradler. "But I do think we'll have a steady growth. That doesn't mean that we're going to be able to support 190,000 people as we had in 1950."

"You've got to remember this about Fayette County. Look at that map over there. Half of the county is in the mountains. That can only be developed as a recreational area. We've got the history; this is where Washington and Braddock fought. That's part of our future, and we are very desirably located for it. Route 40 from Baltimore goes right through us. Pittsburgh is 45 miles to the north and now we're building a four-lane highway to link up with the Pennsylvania Turnpike."

"Recreation and industrial development is going to save us. Nobody here's quitting."

Mr. Gradler and the other leaders quickly pointed out that their problems are far from solved, however. For in Fayette County can be found examples of one of America's most tenacious problems—the problems of a permanent class of impoverished people whose very manner of living almost defies description. These are the people who have become so accustomed to living on relief that they are unconcerned about ever getting off. They are passing on their habits to their children—and to their grandchildren.

#### MAJOR PROBLEM IS CHILDREN

Within the 800 square miles of Fayette County are numerous clusters of houses and shacks, both high in the hills and on the rolling countryside below. Here they are called patches, the remnants of the company towns that provided the wealth for the area.

The greatest problem lies in the children who live in those patches.

"We have children who come from homes where their parents have never been employed in their lifetime," said Harold Riffle, the county superintendent of schools.

"Unemployment has not happened here just lately, you know; it's been with us for a long time. I'm not sure they're different from other children, but they've certainly been deprived more, and, in general, they do have a certain attitude."



A teacher who works with such children, but who preferred to not be identified, said of those students:

"They feel this way: What's the use? They get married as soon as they can, and they drop out as soon as they can. Their attitude is that dad's on relief and has never worked, so why should they? And also, why should they bother with school? And so they don't. I actually know of a case of a boy who got a job as a mechanic and whose father made him quit, because it made the father look bad for being out of work."

Fayette County has neither the money nor the manpower nor the skills to do anything about this problem, and its school system at the moment is having its own trouble competing with wealthier communities for teachers.

In the meantime, the patches continue to create and perpetuate their problems. Brier Hill is such a place and such a problem. It lies 10 miles to the west of Uniontown, off Route 40, a collection of black, two-story shacks lining a muddy back road.

Brier Hill is typical. This reporter did not visit it to single out its inhabitants or to draw a sensational sketch of poverty. But he can say that it eclipses the most squalid slums of the Negro sections of Washington. Brier Hill is white. To visit it is to experience the degradation of the spirit.

The door to the first house was opened by a fat middle-aged woman who answered, "No, I buried him Thursday," when asked if her husband were home.

Inside were a sandy-haired man, age 20, his wife, 23, and their two children, 5, and 14 months. "There just ain't no employment," he said, standing in front of the coal stove, "I've been lookin' but there ain't any." A tattered copy of "Romantic Love" magazine was on the living room floor. The furniture was broken down, the dishes were piled high in the kitchen. The baby was naked and dirty.

On one wall was a color photograph of John F. Kennedy; on another a drawing of Jesus praying. "No, I ain't been in church in I don't know how long," the man said.

Asked when he had last looked for work, he replied: "Well, you can't look in this weather." It was, in fact, a sunny day and in Uniontown some people had said it felt like spring coming on.

#### NO HOT WATER

The house has no hot water. There is an outhouse. For their 4 rooms, the family pays \$30 a month rent. Every 2 weeks they receive \$68.60 from the State for relief payments. And every 2 weeks they receive \$27 in Government food stamps, enabling them to purchase food from local merchants. They are not starving. They think their debts are somewhere around \$1,300.

The father of the man who heads the household was a coal miner who lost his leg and who has been living on a pension and relief ever since. The young man himself completed the eighth grade. Today, he has no livelihood. In all fairness, he does not seem to be concerned. Neither does his wife.

It was the same situation next door. The man there is 30 and is from West Virginia. He has not been employed for 5 years. "I been hunting work," he said waving a copy of "Barge Girl," a paperback book. "But I might just as well stay here."

He has five children ranging in age from 2 to 7. His wife is pregnant and "expecting anytime." She said she thought she was carrying twins, "'cause you can tell." The husband left school after the fifth grade.

His father, too, was a coal miner. "Father, see, he shot himself 2 years ago last November with a .22. Nobody knows why. His father was a coal miner before him."

The family says it eats "pretty good" through welfare payments and the food

stamp program. The man of the house says he thinks the future looks better, too, "from what I hear."

So does Fayette County, despite its Brier Hill patches.

[From the Evening Star, Washington, D.C., Feb. 11, 1964]

#### POVERTY IN APPALACHIA—JOHNSTOWN, PA.

Almost every schoolboy can tell you what happened here in 1889, when a great flood virtually destroyed this city and took nearly 3,000 lives.

They rebuilt Johnstown and then in 1936, disaster struck again.

Since then, they've spent millions widening and deepening river channels and building canal walls. And today, Johnstown, a city of about 55,000, is free from the ravages of the waters that swept the Conemaugh and Stoney Creek Valleys.

Yet, a cruel joke goes, about the only thing you can do to save Johnstown now is have another flood and start all over again.

Unfair as it may be, it is one of many mordant Appalachian jokes. All of them reflect some of the viewpoints about regions from Pennsylvania to Alabama where millions of Americans are struggling to exist. They help to explain why Appalachia is a key target in President Johnson's campaign against poverty. "It's a pretty picture to draw a line of mountains and say that everything within it is destitute," says C. W. (Bill) Dressler, associate editor of the Tribune-Democrat here. "That's what they are doing with Appalachia. There isn't any such place. It doesn't exist, except as a figure of speech. We people who live here think it's ridiculous."

Mr. Dressler and others understandably dislike seeing their city and section portrayed unfavorably. Nevertheless, the evidence is undisputable that the towns and cities lying along the mountain ranges are afflicted with common problems.

To begin to understand these problems even in a superficial way, one must take the back roads away from the superhighways, turnpikes, chain restaurants and motels.

From Renovo and Bitumin in the forests of north-central Pennsylvania, the road leads for more than 30 miles across the snow-covered mountains and down to the towns below. For mile after mile there is discouraging sameness. Only the names are different: Snow Shoe, Moshannon, Drifting, Grassflat, Hawk Run, Grampian, Nanty Glo.

Through a dozen main streets one sees the same legion halls, Moose lodges, and dismal store fronts. The industry in the town varies: In some it is a refractory business; in others a mill. But all are situated near the rail tracks and always above them, backed up to the hills, sit the same unpainted clapboard houses with the same plastic-covered windows and doors.

When the hills break and the orange smoke drifts up from the valley, the steel mills of Johnstown are in sight. The city itself is dotted with wooden homes, many of them dilapidated survivors of the 1936 flood.

While newspaper editors such as Mr. Dressler, and Howard Hill, of the chamber of commerce, take the position that Johnstown is not a distressed city, others here do not agree with them.

"We have a serious problem in our primary metals," says Joseph Casale, head of the Pennsylvania State Employment Service office. "Steel is now working at about 80 percent of capacity and any industry doing that today is doing pretty well. But 4 years ago we had 20,000 men working in the steel mills. Today it's about 13,000 to 14,000."

"With all the tremendous technological change going on, we still look for this situation to keep declining. So these people who are out have very little chance of being

called back. They're more or less out to pasture."

#### MINE JOBS DOWN

The picture in coal is worse. Eight years ago 20,000 were employed in the mines around Johnstown; today the figure is 6,700.

"We know," Mr. Casale continued, "that for the last 5 years better than 14,000 employable persons have left our labor market area in Cambria and Somerset Counties. So all you find in these towns are the older people. So what's left? Most of the people who can leave have left. The rest are using up their unemployment compensation."

This illustrates a harsh statistic: Johnstown has led the State of Pennsylvania in unemployment compensation payments twice out of the last 5 years. Today nearly 9 percent of the labor force is unemployed and the payments this year probably will run as high as \$8 million.

Even more vexing for the future is the prospect of finding jobs for high school graduates. Women graduates generally can find clerical or sales jobs, but the big problem is for men. Some 30 percent go to college, another 15 percent to the service and more than 40 percent leave Johnstown entirely. Few of those who graduate from college return to their hometown, depriving Johnstown of future leadership.

#### NO OPPORTUNITY

"I have to say," Mr. Casale said, "that we have not been able to keep these people here. There is no opportunity for these boys."

As it has been for more than 100 years, steel is the heart of Johnstown's economy. In this city, Bethlehem Steel is big steel.

Paradoxically, the steel industry is doing better now—but not its workers. They are caught in the same technological vise as the railroad workers in Renovo. To compete more efficiently, the steel companies have modernized their plants and are able to increase their production with better equipment—and less men. The result is layoffs and bitter jokes about steel showing higher profits, "Yeah, they laid us off," a millworker says.

For those who do work, the wages are high. But for the past 4 years there has been a succession of layoffs. Some men have been out of work, off and on, for as long as 2 years.

#### WORKED IN NEW JERSEY

Take Donald Wilfong's case as an example. He's 38 years old, a World War II veteran who has been in the mills for 17 years. He is married and has four children. For 20 months he was forced to go to New Jersey to find work. He would visit his family here three times a month. Then he was called back by the Johnstown mills. He returned to protect his seniority.

His story since then has been one of layoffs and unemployment compensation checks, totaling \$64 a week. Now he is down to \$40 a week and has two more checks before his payments run out.

"On \$40 a week it's impossible," he says. "You just can't do it."

He is not eligible for the surplus food program because he has a savings account of \$1,600 for his son for college. For 8 years he has been building it up; now he will have to start drawing on it. His wife supplements their income by sewing, and makes all the family clothes.

#### FEELS HE MUST LEAVE

Don Wilfong feels he has to leave town.

"I hate like hell to leave this part of the country," he said. "I spent 17 years building myself up. But when you're out of work what are you going to do?"

"The thing is you never know when it's going to happen to you. That's the trouble. And I'm lucky because I haven't hit 40 yet. After 40 you're really out."



"I've got a possibility of a laboring job at \$1.61 an hour. But that'll just keep the water below my nose. I guess I'm going to drown anyway, but at least, I'm still breathing. It's a vicious thing. It's a dog eat dog, like they say. If you're working it's a recession, if you're laid off it's a depression. In other words, everybody's looking out for himself."

Other workers are even more bitter. They, too, are talking of leaving. "I've got two leads in my pocket right now," one said. "One's in Delaware and the other is in Jersey."

#### MANY BIDDING FOR INDUSTRIES

Their problem is not an isolated one in Appalachia. Neither is Johnstown's. The city is trying to attract new industry, but as a prominent businessman who asked that his name be withheld, said: "The trouble is that for every industry that is looking to locate there are 150 towns bidding for it."

Then, too, because steel wages are high many industries are reluctant to enter an area where they probably will have to pay more. When they do relocate, they may head south or west.

In another way Johnstown is a mirror of the times of an industrial class and a white-collar class. In Johnstown proper many of the unemployed and unemployables lives in the old houses. The rest live a thousand feet above, out of the smoke of the mills.

On the crest is Woodmont, an area of middle-class homes and executive mansions. "Ye Olde Country Club. Private" is one of the first signs the visitor sees there.

Johnstown also is a city where one meets the union officials in a large office with framed pictures of Franklin Roosevelt and John F. Kennedy. Then he hears the union leader outdo the chamber of commerce in extolling the attractions of the area. The union man, who is on many business and charitable committees, passes out travel and tourist literature.

#### DON'T WANT HANDOUTS

These social distinctions are not lost on the men. They are, as the people of this region are supposed to be, extremely proud, both of their skills and of their area.

"You know," one man said. "It's funny, this Johnstown. We're proud people. We don't want a handout. So I guess come spring my family and I are heading to Arizona."

There is the quintessence of Appalachia's dilemma: It cannot afford to lose such men, but it is at present unable to provide the opportunity for them to stay.

So while the steel mills continue to fill the valleys with the orange smoke and sulfur fumes, many men who want nothing more than to be in those mills are packing up and moving out.

Mr. BYRNE of Pennsylvania. Mr. Chairman, I move to strike out the last word.

(Mr. BYRNE of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. BYRNE of Pennsylvania. Mr. Chairman, countless counties throughout the Appalachian area today are watching our actions here in the House of Representatives.

I assure you that all of us in Pennsylvania recognize that there are other areas throughout the United States that have similar economic problems as those of Appalachia. Today, by voting for the Appalachian Regional Development Act of 1965, we will be giving this area a new lease on life and will also establish redevelopment procedures that will be a model for future regional plans.

This bill on which we are voting is sound. It has been the subject of great debate during lengthy hearings both here in the House and over in the Senate. This legislation has been tailored to meet specific and unique economic needs.

Although my congressional district does not benefit directly from the Appalachia bill, I cannot join those who would have you believe that this legislation is preferential treatment for a certain area. The only way to solve our overall economic problems is through increased cooperation with State and local government along regional lines. This cooperative partnership is spelled out in the Appalachian Regional Development Act of 1965.

The legislation is not a welfare dole for Appalachia but rather a carefully prepared program aimed at helping resourceful people to help themselves. The Appalachian area for too long has been bypassed by America's growing economic prosperity—the problems of this area are serious.

There is a great potential present in the Appalachian area that, if developed, will make the region a vital part of President Johnson's Great Society. I vision tremendous things happening with the construction of an Appalachian development highway system to serve the region. These roads, as has been pointed out, will not be constructed with the particular objective in mind of easing traffic congestion. Rather they will be built as instruments of economic development, by opening up areas to development which heretofore have not been developed because of their remoteness and isolation. They will provide the means to insure that the industrial, recreational and tourism potential is realized. Every section of this legislation has been carefully written to achieve one goal—to return the Appalachian area to its position as a leader in industry, commerce, and recreation.

We can no longer afford to ignore this underdeveloped area. Passage of this legislation today will permit us to begin immediately a concerted drive toward our goal of a Great Society, and I urge all of my colleagues to support this important legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL].

The amendment was rejected.

#### AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: On page 30, strike out line 23 and all that follows down through and including line 23 on page 32.

Mr. CRAMER. Mr. Chairman, I offer this amendment in the hope of highlighting exactly what is being done in this bill. This section is simply a back-door reenactment of the APW. This program, APW, is discredited to the extent that additional authorization was not even requested last year, but here we find it in the Appalachia bill and find it to the tune of 80 percent of participation.

The act for APW previously provided

for 50 percent Federal participation. I just want the House to know how far this one goes. In my opinion it is setting a precedent for future ARA and APW bills that will probably be presented to the Congress providing for 80 percent Federal participation rather than the 50 percent under the present APW Act, except where, in certain circumstances, the Federal contribution could be 75 percent where the local community could not pay the cost. So we are now going up to 80 percent for this program.

This I think is the section that probably the proponents really want the most in the sense that this is where the grab bag money is for any and all Federal grants-in-aid programs, including those contained in this bill, except for highways—80 percent Federal matching for any and all Federal programs, cutting across the jurisdiction of all committees. There does not even have to be a relationship as to whether or not there is a depressed area involved. These public works can be built in the 76 nondepressed areas. If we are going to consider APW, it should not be on an Appalachian piecemeal region, it should be on a nationwide basis. Doing it on a piecemeal basis is not the way to do it, particularly if you open the door to 80 percent participation.

If you will refer to page 32 of the bill, you will see it applies to practically every kind of project, including water pollution, watershed protection, vocational education, library services, the Federal Airport Act, higher education facilities, and land and water conservation. Any existing program, except highways, is included. I say this section is one that in my opinion is going to be subjected to not only the same but even greater abuse than was the APW, that resulted nationwide in its not even being reauthorized last year. It should be stricken from the bill.

Mr. BLATNIK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment would create a great hardship and cause great discrimination against those localities that are most impoverished. They are in need of these facilities authorized by the Federal grant-in-aid programs for which section 214 authorizes additional funds.

I should like to remind the House that in the Accelerated Public Works Act which the body passed some years ago the normal Federal share was around 50 percent but we did graduate it up to 75 percent for the acutely distressed municipalities.

What the amendment offered by the gentleman from Florida would do is this. If a municipality were capable and well off enough financially to finance 50 percent of its own share, then the Federal Government would be able to say, "Yes, we will pay the other 50 percent."

In another case where the need may be equally great or perhaps even greater for a facility, but the financial resources were far less—and we have municipalities that could not even raise 30 percent of their share under the APW bill—if they said, "We can only raise 20 per-



cent"—the Federal Government would say, "That is not enough."

Those who need it the most and who have the least financial resources get nothing. The amendment is discriminatory and unfair. It defeats the purpose of the bill.

Mr. Chairman, I want to call the attention of the Members of the Committee to page 31 of the bill and the language therein, and I quote:

To take maximum advantage of Federal grant-in-aid programs for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share—

In short, it has to be determined that they cannot match their required local share—

the Secretary of Commerce is authorized, pursuant to specific recommendations of the Commission approved by him and after consultation with the appropriate Federal officials, to allocate funds appropriated to carry out this section to the heads of the departments, agencies—

And so forth.

This language provides ample scrutiny and review. There are proper safeguards in the section and the program will be properly handled.

Mr. Chairman, I urge the defeat of this discriminatory, unfair, and unjust amendment which will work real hardship on the poorest communities. We must keep section 214 in the bill. It is the heart of the legislation. It will provide the "grease" to move the wheels for this needed program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The amendment was rejected.

Mr. BRAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the chairman of the subcommittee this question. I hold in my hand an article from the Louisville Courier-Journal of February 11 which says:

Clay County Reclaiming Hope Dim. House Mulls Strip Mine Proposal.

Apparently, they have suggested the following in the article:

The landowners would deed their spoil banks to the State. After reclamation, the State would deed the land back, but retain hunting and fishing rights in public ownership.

I would like to know what in the gentleman's opinion the legislative intent is. Would this bill give any such right as that?

Mr. JONES of Alabama. It is the intention of this bill to preclude and prevent such a situation as that from coming about. We are dealing with public lands as they presently exist—and that is the purpose of the bill. It is the purpose and intention of the bill and it is the understanding as far as I know of every member of the committee who has played a part in the consideration of this section of the bill.

Mr. BRAY. That is what I understood. But since this newspaper article was called to my attention, I want to make it absolutely clear that such a situation as that could not be brought about under this legislation.

Mr. JONES of Alabama. The gentleman is correct.

Mr. BRAY. I thank the gentleman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### TITLE III—ADMINISTRATION

##### Local development districts—Certification

SEC. 301. For the purposes of this Act, a "local development district" shall be an entity certified to the Commission either by the Governor of the State or States in which such entity is located, or by the State officer designated by the appropriate State law to make such certification, as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region. No entity shall be certified as a local development district for the purposes of this Act unless it is one of the following:

- (1) a nonprofit incorporated body organized or chartered under the law of the State in which it is located;
- (2) a nonprofit agency or instrumentality of a State or local government;
- (3) a nonprofit agency or instrumentality created through an interstate compact; or
- (4) a nonprofit association or combination of such bodies, agencies, and instrumentalities.

##### Grants for administrative expenses of local development districts and for research and demonstration projects

SEC. 302. (a) The Secretary of Commerce is authorized—

- (1) either directly or through arrangements with the Commission, to make grants for administrative expenses to local development districts. The amount of any such grant shall not exceed 75 per centum of such expenses in any one fiscal year. No grants for administrative expenses shall be made to a local development district for a period in excess of three years beginning on the date the initial grant is made to such development district. The local contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

- (2) either directly or through arrangements with appropriate public or private organizations (including the Commission), to provide funds for investigation, research, studies, and demonstration projects, but not for construction purposes, which will further the purposes of this Act.

- (b) Recipients of Federal assistance under the provisions of this section shall, in accordance with regulations to be promulgated by the Secretary of Commerce, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the Secretary of Commerce. The records of the recipient shall be available for audit with respect to such grants by the Secretary of Commerce and the Comptroller General, or their duly authorized representatives.

- (c) Not to exceed \$5,500,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

- (d) No part of any appropriated funds may be expended pursuant to authorization given by this Act involving any scientific or technological research or development activity unless such expenditure is conditioned upon provisions effective to insure that all information, copyrights, uses, processes, patents, and other developments resulting from that activity will be made freely available to the general public. Nothing contained in this subsection shall deprive the owner of any background patent relating to any such activity, without his consent, of any right which that owner may have under that patent. Whenever any information, copyright, use, process, patent or development resulting from any such research or development ac-

tivity conducted in whole or in part with appropriated funds expended under authorization of this Act is withheld or disposed of by any person, organization, or agency in contravention of the provisions of this subsection, the Attorney General shall institute, upon his own motion or upon request made by any person having knowledge of pertinent facts, an action for the enforcement of the provisions of this subsection in the district court of the United States for any judicial district in which any defendant resides, is found, or has a place of business. Such court shall have jurisdiction to hear and determine such action, and to enter therein such orders and decrees as it shall determine to be required to carry into effect fully the provisions of this subsection. Process of the district court for any judicial district in any action instituted under this subsection may be served in any other judicial district of the United States by the United States marshal thereof. Whenever it appears to the court in which any such action is pending that other parties should be brought before the court in such action, the court may cause such other parties to be summoned from any judicial district of the United States.

##### Project approval

SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made only by a State, a political subdivision of a State, or a local development district. Each such application shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate such application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance by the Commission.

##### Annual report

SEC. 304. Not later than six months after the close of each fiscal year, the Commission shall prepare and submit to the Governor of each State in the region and to the President, for transmittal to the Congress, a report on the activities carried out under this Act during such year.

Mr. CRAMER (interrupting the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MR. DADDARIO

Mr. DADDARIO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DADDARIO: Strike out line 12, page 38, through line 19, page 39, and insert in lieu thereof the following: "In carrying out the provisions of this Act, the Commission and each department, agency, and officer of the Federal Government having functions or duties under this act shall adhere to the statement of Government Patent Policy which was promulgated by the President in his memorandum of October 10, 1963. (3 CFR, 1963 Supp., p. 238)."

(Mr. DADDARIO asked and was given permission to revise and extend his remarks.)

Mr. DADDARIO. Mr. Chairman, the amendment I offer serves a most useful purpose and is one which Members should support. All it would do is to have this act conform to a Government patent policy which now exists in all



executive departments and agencies of Government.

In October of 1963, President Kennedy, after 18 months of careful preparation, issued a memorandum which is presently effective and to which the present language in this legislation is in direct contravention. Now, I do not mean to indicate, of course, that everything that comes out of the White House is always so right and that this body cannot make its own contribution, but when we do oppose the President, it is usually with good reason and sound judgment based on committee investigation and careful consideration of the effect on the Nation. In fact, that is what President Kennedy's memorandum was intended for, to bring order into the area of patents within the Government pending action by the Congress in the general field.

Following that memorandum, a great deal of activity has taken place. President Johnson has issued an interpretative statement spelling out his intentions. A Patent Advisory Committee has been created and is in action. And that Committee, by the way, is composed of members who represent every shade of difference which exists on this complicated and important subject. When its work is done, we will all be better informed and, together with committee activity in both Houses of Congress, we will develop the necessary legislation.

In the meantime, every Government department or agency must follow guidelines which are stringent and sensible both and which, I assure you, have been well thought out.

In contrast to that, the language which is now in this bill is completely in conflict with the procedure which this House follows. There have been no hearings on the subject. It is the work of one man. The debate which took place in the other body was confined mostly to the procedure which brought the amendment to the Senate floor, and it runs against an existing position which is well conceived and properly effective.

I believe it is of importance, too, to call to your attention that this language is also in the Senate version of the water pollution bill and that it will most likely be in every piece of legislation affecting science and technology that comes to us from there. It should be stopped now.

I should like to quote from President Kennedy's memorandum, so that Members may judge for themselves what he was trying to do.

I quote from the memorandum in connection with that policy:

From the extensive and fruitful national discussions of Government patent practices significant common ground has come into view.

I stress to you the words "extensive and fruitful national discussions."

First, a single presumption of ownership does not provide a satisfactory basis for governmentwide policy on the allocation of rights to inventions.

This is exactly what the provision which is in this bill before you would make effective.

It would establish a single-ownership provision. Quoting further:

Another common ground of understanding is that the Government has a responsibility to foster the fullest exploitation of invention for the public benefit.

This statement of policy seeks to protect the public interest by encouraging the Government to acquire the principal rights to inventions in situations where the nature of the work to be undertaken or the Government's past investment in the field of work favors full public access to the resulting inventions. On the other hand, the policy recognizes that the public interest might also be served by according exclusive commercial rights to the contractors in situations where a contractor has an established nongovernmental commercial position and where there is a greater likelihood that the invention would be worked out and put into civilian use than would be the case if the invention were made more freely available.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. DADDARIO was given permission to proceed for 3 additional minutes.)

Mr. DADDARIO. Quoting further:

Wherever the contractor retains more than a nonexclusive license the policy would guard against failure to practice the invention by requiring that the contractor take effective steps within 3 years after the patent issues to bring the invention to the point of practical application or to make it available for licensing on reasonable terms. The Government would also have the right to insist on the granting of a license to others to the extent that the invention is required for public use by governmental regulations or to fulfill a health need irrespective of the purpose of the contract.

Then he went on to say that the attached statement of policy will be reviewed after a reasonable period of time in the light of the facts and experiences accumulated. Accordingly, there should be continuing efforts to monitor, record, and evaluate the practices of the agencies pursuant to the policy guidelines.

Mr. CASEY. Mr. Chairman, will the gentleman yield?

Mr. DADDARIO. Yes. I yield to the gentleman from Texas.

Mr. CASEY. What you are trying to do is to set up in this bill the same practice that has been followed in every other phase of wholly or partially Government-financed research. Is that correct?

Mr. DADDARIO. The gentleman is correct. I would like to add to that it is quite apparent that the position, which the memorandum which the President has issued places us in, is one where there is a review, a constant area of activity involving every agency—where on the basis of this knowledge, it has come to the point where there can be guidelines which thread through from one agency to another so that there can be a sensible approach and where we can meet the country's needs.

Mr. CASEY. Mr. Chairman, will the gentleman yield further?

Mr. DADDARIO. Yes. I do yield to the gentleman.

Mr. CASEY. Heretofore, before this policy was enunciated by the President, we were going in all directions, were we not? We are now beginning to tie it together in a uniform system throughout all the different governmental agencies,

and you are trying to keep it from becoming fragmented again. Is that right?

Mr. DADDARIO. There is no question but what you say is true, and we ought to add to it, I think, while hundreds of people are working and making their contribution to this issue and having difficulty in coming up with a policy which would be able to work in every agency of the Government, we in this House today are taking a position where we are following the stand of one man in supporting the idea that the Government should take title in every instance.

Mr. CASEY. I think the gentleman is to be commended in offering his amendment, and I wholeheartedly support it.

Mr. DADDARIO. I thank the gentleman.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. DADDARIO. Yes. I yield to the gentleman from Washington.

Mr. PELLY. I know that the gentleman in the well of the House has made a great study of this subject. I wish to state that I support his amendment and I hope that the House will accept it.

The CHAIRMAN. The time of the gentleman from Connecticut has again expired.

(By unanimous consent (at the request of Mr. BALDWIN) Mr. DADDARIO was granted an additional 5 minutes.)

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. DADDARIO. I yield to the minority leader.

Mr. GERALD R. FORD. Mr. Chairman, I appreciate the gentleman's yielding to me. This is a matter of serious concern. This amendment offered by the gentleman from Connecticut should be universally agreed to. The action taken in the other body was unwise. The remedy sought by the gentleman from Connecticut is proper and I think we on our side and the Members on the other side should wholeheartedly endorse what the gentleman from Connecticut has recommended.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. DADDARIO. I yield to the gentleman.

Mr. BALDWIN. Is it not true that the amendment adopted by the other body, if it were left in the bill, would mean that we would have the most inconsistent position, that all the other Federal highway programs, such as the Federal-Interstate Highway System, the Federal-State primary and secondary routes, the Federal aid urban routes, would have a different policy in practice in the contracts let by the States from this particular highway program, which would make for a completely inconsistent situation? It is obvious on its face that there should be uniformity in this field and it should not be approved in this hit-or-miss, piecemeal manner.

Mr. DADDARIO. There is no question that a contradiction of large proportions would build up. I should expect that you could even carry it a little further on the basis that if the Senate amendment remains in the bill it would become superior to and overwhelm the position



which exist in all other agencies so that it would dominate even though it was not the original intent of Congress as expressed in other legislation that that be the case.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. DADDARIO. I yield.

Mr. CRAMER. Mr. Chairman, the gentleman made a very persuasive argument before our committee relating to the water pollution control bill, which has the same provision, asking that it be stricken, and I think probably the committee will strike it; certainly I shall vote that way. If the gentleman's amendment is not adopted, will not the effect of the amendment of the other body, which it is the gentleman's intention to strike by his amendment, be that entering into these research contracts the cost to the Federal Government is going to be substantially higher, because presently they may use their discretion and where the cost is inordinate to the benefit that might be received in making the patent public or the discovery public—in that instance they may use discretion today and say that this shall not be public because the cost would be too high?

Mr. DADDARIO. In many ways what the gentleman says is so. It would be difficult for me to give an analysis of the financial outlay in every instance, but I could explain it in this way. There are cases where companies and universities which could be involved in this piece of legislation have developed some background which they could let the Government have as long as the Government would allow it to have foreground rights as it developed its knowledge within a Government contract and this would save countless dollars. There are many instances where this has proven to be the case as we have looked at Government programs over the years.

Mr. CRAMER. Mr. Chairman, will the gentleman yield further?

Mr. DADDARIO. I yield.

Mr. CRAMER. As it is applied in this act, it clearly is demonstrated that this applies to development district research and demonstration projects. These development districts are involved on a broad basis of programs far greater than the scope of this act. That would mean that if they accepted the 75 percent administrative costs they are going to have to accept this discovery provision related to all of them even though there is no other Federal grant other than for administrative expenses; is not that correct?

Mr. DADDARIO. There is no doubt that the President's memorandum has brought order to a very complicated and delicate field and that the adoption of the amendment from the other body would do great harm to the progress which has already been made.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. DADDARIO. I yield to the chairman of my Committee on Science and Astronautics.

Mr. MILLER. Mr. Chairman, that is a matter in which the Committee on Science and Astronautics has had a

great interest and on which it has worked very hard for some time.

The gentleman from Connecticut [Mr. DADDARIO], the gentleman in the Well, has done a herculean task in the field and I know no man in this Congress who is better qualified to speak on this subject.

Mr. Chairman, I urge the adoption of the amendment which has been offered by the gentleman from Connecticut [Mr. DADDARIO].

Mr. EDMONDSON. Mr. Chairman, I rise in opposition to the amendment.

(Mr. EDMONDSON asked and was given permission to revise and extend his remarks.)

Mr. EDMONDSON. Mr. Chairman, I have the deepest respect and the greatest respect in the world for both the intelligence and the sincerity of the gentleman from Connecticut.

Mr. Chairman, I am certain that the gentleman has spoken not only from knowledge but also from sincerity in offering this amendment. We heard his very persuasive arguments at some length just the other day in connection with the bill that involves a great deal more research grant money by the Federal Government than does this bill. I am talking about the Water Pollution Control Act.

Mr. Chairman, the committee took into consideration very seriously his arguments and the merits of the proposition, which is a very complex proposition. They are being considered at length in the same committee from which this bill comes in connection with the Water Pollution Control Act.

Mr. Chairman, the gentleman from Connecticut did not bring this amendment to the Committee on Public Works in connection with its consideration of the bill which is now pending before us. The amount which is involved is relatively small in terms of research money by the Government, \$5.5 million. The local development districts that are involved are not likely to come up with a great deal of new material and new inventions and processes to put this particular question to the test.

Mr. Chairman, I submit to the members of the committee that this is not the time or the place to consider this complex question upon its merits and to set aside the issues of urgency which are before us with respect to the passage of this legislation.

Mr. Chairman, the adoption of this amendment, make no mistake about it, could delay for a considerable period of time the effective date on which the Appalachian legislation would take place.

Mr. Chairman, there is not enough involved in terms of the program and the money which would be authorized for the program under this bill if enacted, at which this particular amendment is directed, to justify putting this particular language and thus this bill into a conference and into a prolonged hassle between the House of Representatives and the Senate of the United States.

Mr. ALBERT. Mr. Chairman, will the gentleman yield to me at that point?

Mr. EDMONDSON. I am delighted to yield to the distinguished majority leader.

Mr. ALBERT. The gentleman from Oklahoma [Mr. EDMONDSON] is making a very fine and pertinent statement. We are facing a practical legislative situation, for one thing. This matter has gone through the other body. It has come out of the committee on which the gentleman from Oklahoma sits. It is now before the House. He have an opportunity here today to send this bill to the White House.

Mr. Chairman, this same matter is being considered by the committee of which the gentleman from Oklahoma [Mr. EDMONDSON] is a member, the Committee on Public Works, in connection with another matter. The matter is also before the Committee on the Judiciary where it properly belongs. The adoption of this amendment would not only delay but would frustrate this legislation at this time, because it would mean reconsideration in the other body. It would mean a conference on this bill and it would mean innumerable problems and delays in connection with the matter.

Mr. EDMONDSON. I thank the distinguished majority leader.

Mr. Chairman, I can assure the membership of the House that within the very near future there will be an opportunity afforded in other legislation—the Water Pollution Control Act—to vote on the merits of this proposal and to have a committee position that has been thrashed out, after careful consideration of the question, before you vote on it.

Mr. Chairman, I hope that the members of the committee will follow the advice of the majority leader in this connection.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

(By unanimous consent (at the request of Mr. BOGGS) Mr. EDMONDSON was granted permission to proceed for 2 additional minutes.)

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I would be glad to yield to the distinguished majority whip.

Mr. BOGGS. Mr. Chairman, I believe it is significant that the Members on the other side, our colleagues in opposition to this bill, have risen to support the amendment of our distinguished colleague the gentleman from Connecticut [Mr. DADDARIO]. I do believe it is significant that our Republican colleagues who oppose the bill, who offered a substitute bill, which would have been an entirely different approach, and who have offered a whole flock of amendments, now rise in support of this amendment.

It leads me to believe it would have the effect the majority leader indicates it would have.

Mr. EDMONDSON. I thank the gentleman. The language that appears in this bill on the subject is not unique. It appears in a number of other pieces of legislation. It appears in the Agricultural Marketing Research Act, as amended in 1961; in the TVA Act; in the Atomic Energy Act of 1954, as amended in 1961; the National Aeronautics and Space Act; the Arms Control and Disarmament Act. All of these important pieces of legislation have identical language or very similar language. The gentleman has raised a pertinent question and it is being



looked into by the Committee on Public Works, and, I am told, by another distinguished committee of this House.

I hope we can avoid any delay in this legislation by defeating the amendment that has been offered by the gentleman from Connecticut.

Mr. GERALD R. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in order to keep the record straight, I think I ought to make a statement concerning how this matter rose on the floor today. I am sure my good friends, the distinguished majority leader, and distinguished majority whip, did not mean to imply under any circumstances my endorsement of the Daddario amendment was part of a plot to have any adverse impact on this legislation.

The facts are these: I believe it was yesterday that the gentleman from Connecticut came to me and indicated that he was sponsoring an amendment such as he did here this afternoon. I believe he came to me concerning this matter because in 1958 I served with the distinguished Speaker and a number of others on the Select Committee on Science and Astronautics, at which time the basic legislation was enacted concerning our patent policies in this area.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from Oklahoma.

Mr. ALBERT. I certainly did not intend to convey the impression that anyone was part of a plot, but I do insist that this amendment offered by my very good friend from Connecticut would frustrate the passage of this bill, would delay enactment of this bill, and would cause considerable difficulty in having it passed in a reasonable length of time.

Mr. DADDARIO. Mr. Chairman, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from Connecticut.

Mr. DADDARIO. I would like to make it clear to the Committee that there is nothing unusual about this amendment I have offered. I offered it last year to the water resources bill. It passed the House, but was knocked out in conference.

In every single piece of legislation where I have had the opportunity to oppose the Long amendment which was put in in the Senate, which I tried to explain today, I have taken steps to oppose it. I believe this is an important and fundamental principle which we all should look carefully into. I think it is important enough so that we should recognize the great harm it can do to a policy that is inherent in the President's memorandums, which ought to be followed, which could do the work in this connection and handle the situation in a way that would be satisfactory to all of us.

Mr. GERALD R. FORD. Is it not true that the intent and the effect of the amendment offered by the gentleman from Connecticut is the same as legislation which the House passed a year or two ago under recommendation of the

Committee on Science and Astronautics concerning patent rights?

Mr. DADDARIO. The chairman of the full committee said in support that there had been a great deal of work done in our subcommittee, which is so. The subcommittee voted out a piece of legislation affecting the Space Act of 1958, section 305, which was amended here on a rollcall vote by a wide margin.

Mr. GERALD R. FORD. So the House in effect in the past has passed judgment on the position taken by the gentleman from Connecticut?

Mr. DADDARIO. On that occasion and on other occasions also.

Mr. CRAMER. If the gentleman will yield, to make sure that the position of the majority whip is not that we are climbing on this amendment as if it comes in the first instance on the floor, I talked with the gentleman from Connecticut [Mr. DADDARIO], and announced our intention to get this amendment out of the bill on the floor of the House. I am a member of the Patents and Copyrights Subcommittee of the Committee on the Judiciary. I knew that it had no place in the bill. The substitute I introduced, H.R. 4466, leaves that out.

Mr. BOGGS. Along with the majority leader, I have made no accusation of a plot on the part of anyone. I did say, and I reiterate, that those who are opposed to this bill are supporting this amendment. But I do not believe the gentleman from Florida would support the bill under any circumstances, whether or not the amendment offered by the gentleman from Connecticut is adopted.

Mr. CELLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I agree with our eminent majority leader that the amendment offered by the distinguished gentleman from Connecticut undoubtedly will involve procrastination and delay in the passage of this bill. There is no question about that.

As far as patents are concerned, the House Committee on the Judiciary has jurisdiction over patents and copyrights. We are now engaged in a very comprehensive survey of patents. I do not think we should disturb the character of this bill one iota because of any patent controversy. Our Judiciary Committee will maturely and comprehensively consider all patent matters.

Back in 1943 President Franklin Delano Roosevelt asked the Department of Justice to undertake an investigation into patent policy and practices of the Government. The final report made in pursuance thereof by the then Attorney General, Tom Clark, now Associate Justice of the Supreme Court, among other things said, back in 1947—and what he said then, as now, is crystal clear, intelligent, cogent, and proper, and it requires restating with every possible emphasis today—was this:

Where patentable inventions are made in the course of performing a Government-financed contract for research and development, the public interest requires that all rights to such inventions be assigned to the Government and not left to the private ownership of the contractor. Public control will

assure free and equal availability of the inventions to American industry and science; will eliminate any competitive advantage to the contractor chosen to perform the research work; will avoid undue concentration of economic power in the hands of a few large corporations; will tend to increase and diversify available research facilities within the United States to the advantage of the Government and of the national economy; and will thus strengthen our American system of free, competitive enterprise.

In 1956 the Republican Attorney General, Herbert Brownell, warned:

The present patent policy—very much like the policy involved in the amendment of the gentleman from Connecticut—may well be one of the major factors tending to concentrate economic power.

Granting private monopoly rights on the results of Government-financed research inevitably hampers the dissemination of new scientific and technical knowledge, thus retarding economic and technological growth.

There are two very large Department of Defense contractors who failed to disclose their discoveries to the Government for as long as 4 years, and in many cases they did not disclose anything at all to the Government.

This is one of the consequences of granting monopoly rights to private firms on the results of publicly financed research.

The issue, Members, to put it plainly and simply is whether tax money will be spent for the public in general or whether it is going to be spent for private gain of special interest groups.

For that reason, I must although reluctantly oppose the amendment of the gentleman from Connecticut.

Mr. DADDARIO. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. DADDARIO. I would like to make one point clear. When the gentleman from New York refers to the idea that the policy I am promoting is one which would lead to dire consequences he is wrong. I support the policy as outlined by the late President Kennedy and developed by President Johnson. Within that policy the guidelines are spelled out under which agency head could not refuse to take title under the circumstances as set forth by the gentleman from New York for whom, as the gentleman well knows, I have great respect.

Mr. CELLER. I must perforce differ with the gentleman as to the interpretation and repercussion he places on his amendment. I think it will tend exactly towards what these two attorneys general I have mentioned inveighed against.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

(Mr. HOLIFIELD asked and was given permission to proceed for 3 additional minutes.)

Mr. HOLIFIELD. Mr. Chairman, we all respect the gentleman from Connecticut [Mr. DADDARIO] and his legalistic ability. We do not all agree, however, with his advocacy of the principle that he advocates here. I am going to cut right through to the guts of the matter.



The basic principle of American patent law is that the inventor of a device or of a patentable formula or the person who pays that inventor and has that inventor under contract is entitled to the fruits of the discovery of the invention.

That is the issue that is being tested here today—where the Government is the employer and where the Government is spending the taxpayers' money derived from all the people, the Government is entitled to the fruits of its investment and to the fruits of the discovery of those that the Government hires. That is in accord with basic American patent law. That is the principle we are debating, and I believe in the basic principle of American patent law.

This bill, as it is written, is in harmony with the policy, a policy that the Congress has advocated time and again.

We have expressed this policy that I am advocating in the TVA Act, to keep the discoveries in fertilizer by the TVA Research Institute on Fertilizer from going into the hands of private contractors and to remain in the hands of the Government that is spending the money to make the discovery so that the American people will get its benefits. So that the Government paid for patents will not be defaulted to a private entity who would have the legal right to withhold such a benefit from the market or have the right to charge additional royalties on that particular formula of fertilizer. This was the protection to the public which we wrote into the TVA Act.

The National Health Institute also has similar language to the language in this bill.

Other agencies have this language.

This is not a uniform policy or principle as the gentleman from Texas [Mr. CASEY] asked a question of the gentleman from Connecticut [Mr. DADDARIO] and he responded in the affirmative, and I respond in the negative—that it is not a uniform policy between all the agencies of Government nor is it a uniform policy under the actions of the Congress heretofore.

I did not mention the Atomic Energy Act. This type of language is in the Atomic Energy Act. Under that act, the Government, by action of the Atomic Energy Commission, has claimed more than 1,100 patents discovered by its contractors. What did it do with those patents? Those patents were made available to all of American industry.

If we adopted the language of the gentleman from Connecticut, what we would do is to provide that a favored contractor who makes a discovery while spending Government funds would be given an unfair advantage over the rest of American industry. That is what we would do.

But if we keep the language of the bill, we will give to the Government the right to claim that patent and to make it available to all of American industry.

Do we wish to make tax money available to a favored contractor, in the expenditure of which he makes a discovery—as a result of the expenditure of tax money—and have that discovery remain his, or do we wish to make that discovery available to all of American in-

dustry? That is the principle at stake today.

Regardless of the legalistic arguments of the gentleman from Connecticut [Mr. DADDARIO] the "guts" of the proposition is whether Government money is to be used to discover patentable devices or formulas, which are to be given to a favored contractor or given to all the American people through access of all of American industry.

Mr. DADDARIO. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Connecticut.

Mr. DADDARIO. In the first proposition, when the gentleman said that in the event the Government paid all of the money involved, the Government becomes the employer, which is a definition of relationship with which I could disagree, but which is not important to the issue before us.

Mr. HOLIFIELD. The gentleman could disagree, technically, but if a contractor takes a contract from the Government to do a certain job of research and development and takes pay for it, he is paid for it and he does not need an extra bonus in the form of a patent, which has an intrinsic value and is in effect a bonus.

Mr. DADDARIO. It should be understood that when you refer to the Government paying for the whole program that the President's memorandum would compel the agency head to take title. But that in the Senate amendment it stipulates "In whole or part" and where there is partial involvement the question of degree and objective could be considered as the Government negotiates its position, and as it does so the agency head should have the flexibility to make that determination from taking title to taking something less. He should not be tied to a position from which he cannot move.

Mr. HOLIFIELD. That applies to the point that if the Government decides the inventor or the contractor had prior knowledge which enabled him to make the invention the Government could make an allowance and could pay the contractor. That is applicable under other laws.

Mr. DADDARIO. We are trying to get that kind of flexibility into this, I say to the gentleman. The gentleman brought up the fact that the AEC takes such a stiff position on its patents. The fact is that the AEC holds 3,000 patents. It has, however, granted licenses on more than 1,000—561 have been retained by contractors—330 exclusive licenses have been granted. Actual title to 400 patents has gone to contractors.

The reason for that is that the contractor will be able to put up the development money to develop the product and to protect its investment as it brings that product to the marketplace expeditiously and at low cost.

Mr. HOLIFIELD. The gentleman knows he is treating with a very complicated subject, and the gentleman knows that the development of a patent is an obligation of the person who wants to market the patent. The development of the patent is free to all of American in-

dustry when the Government makes it available to them. But if one man has a right to take a patent he has achieved through the expenditure of Government funds, he can withhold that from the market for 17 years if he wishes to. He does not have to grant use under a royalty right to any other developer. But if the Government takes it, then anyone who wants to develop it can come to the Government and ask for a free right to develop or to use as he sees fit for his own purposes.

Under the Atomic Energy Act, this has inured to the good of the Government, because that science has jumped forward faster than any other major science ever developed. It has jumped forward because patent rights were not allowed to contractors who were working for the Government, so that they could hold them or strangle development of the industry.

Mr. DADDARIO. Mr. Chairman, will the gentleman yield further?

Mr. HOLIFIELD. I yield to the gentleman.

Mr. DADDARIO. I think it is important for us to recognize that the President's memorandum makes it necessary to bring a patent to fruition in 3 years, or it will grant the license to others. So it is not a 17-year protection period.

Although there has been considerable mention here of the suggestion that the Government ought to take title to the fruits of the discovery of those that the Government hires, it is not understood that the public interest in a dynamic and efficient economy requires that efforts be made to encourage the expeditious development and civilian use of these inventions. A common ground of understanding is that the Government has a responsibility to foster the fullest exploitation of the inventions for the public benefit. Only if we make it sufficiently flexible to permit new inventions to be brought quickly to the marketplace do we justify the investment by the people in programs of research and development directed to national goals. And only if we follow a reasonable patent policy do all our people benefit.

Mr. HOLIFIELD. But for 3 years anyone who wants to come to the Government has the right to use the discovered device as patented. In the granting of competitive bids it is a very valuable thing that all contractors have the right to use discoveries made with the use of Government funds. This freedom to use Government-paid-for patentable formulas or devices by all contractors has the effect of increasing the number of competitive bidders. It eliminates the advantage which a contractor might have as a result of his obtaining free a Government-paid-for patent or formula.

Mr. GURNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been listening rather carefully to the argument here, and it seems to me it boils down to three points. In the first place, I would like to say that I am not rising in support of this amendment because of a blind opposition on this side and an attempt to gut the bill. I have served on a subcommittee with the gentleman from Con-



necticut [Mr. DADDARIO] since I have been in Congress. I have great respect for his ability and I know he is very knowledgeable in this field of patents. He spoke to me about his offering the amendment earlier in the day. It made good sense to me then and it makes even better sense to me now. It seems to me that there are several arguments that have been presented so far that we should discuss. This is a matter where we have a great difference of opinion. Many Members agree with the position of the gentleman from Connecticut and many agree with the position explained by the gentleman from California. This is obviously a matter where we are choosing up sides and there should be great reservation in this House as to whether this particular section ought to be in this bill or not. That is one point.

Another point made by the gentleman from Oklahoma in opposition to this amendment was this: He said after all there was only a small amount of money involved as far as this particular proposition is concerned. Therefore, let us ignore it, and therefore, let us get on. I say that by his own argument he is making a good argument for the gentleman from Connecticut's [Mr. DADDARIO] amendment, because if it really does not matter, why are we concerned if we strike it out of the bill?

The third argument—and this is the one that really concerns me and ought to concern every Member of this House—is this: As most of you know, I have been in this House of Representatives for only one term. This is the second term. I have heard this argument again and again and again. When I hear it, as I heard it from the majority leader and the majority whip, it makes me a little ashamed to serve in the House of Representatives. The argument goes like this: That we cannot amend the bill because we have to rush it through in order to get it on the President's desk so he can sign the bill and get it enacted into law. We are involved in the spending of a billion dollars eventually as far as this particular bill is concerned and, of course, we will spend a good deal more, really, as soon as other people get their little axes grinding with continuing programs. So I say this: It makes a good deal of sense to me if we are going to be a deliberative body, as we think we are, that we should take a little pride sometimes in the work we do here. I see no reason why we cannot amend this bill in a small fashion. Obviously it is not going to be held up in conference and we know it is not, because this amendment is really not a very big matter, as the gentleman from Oklahoma said.

If we do have a viable point here that we have a disagreement on, upon which we are even now having hearings in committee, as has been indicated in this debate over and over again, because it is a point which must be resolved, then let us take it out of this bill, where it has no place to be, and let us go to conference on it. It will be signed into law speedily enough, because the President wants it, but, for heaven's sake, let us retain a little self-respect and independence as a legislative body and have the courage to

do some things on our own once in a while. Thank you.

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto conclude in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. KING of Utah. Mr. Chairman, I object.

Mr. JONES of Alabama. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto end in 5 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Alabama.

The question was taken; and the Chairman being in doubt, the committee divided and there were—ayes 131, noes 80.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. WAGGONNER].

Mr. WAGGONNER. Mr. Chairman, I am opposed to this bill but there is one principle involved in this amendment which has not been discussed. What is really in the public interest and what rights will the businessmen have if this amendment is adopted that his employees will not have? I think you will find it standard practice in private enterprise that employees of private enterprise—and I take my hat off to no one in this Congress as more of a champion of the private enterprise system than I am—are denied the rights to patents which they develop as employees of some segment of private enterprise. I believe it to be in the public interest that patents developed by contractors employed by the Federal Government, paid for by tax dollars, should be guided by the same principle. The public should get the benefit, not just one contractor.

The wording of this particular amendment in this bill is not good, but this bill as it was amended in the other body simply gives the Government as an employer the same right that a segment of private enterprise has with relation to one of its employees. That is what it amounts to. The word "substantial" should be used in two instances to clarify the fears and they are legitimate fears as to patents developed "in part" with Federal money. A better guideline is needed.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. McCLODY].

Mr. McCLODY. Mr. Chairman, it certainly seems to me that regardless of our position on final passage of this bill we should have the bill in the best possible form. In this connection the gentleman from Florida [Mr. GURNEY], made a very constructive statement today. As I understand the amendment offered by the gentleman from Connecticut [Mr. DADDARIO], this would put the measure in a more acceptable form consistent with a patent policy announced by President Johnson as well as by the late President Kennedy. It seems to me that we should follow that policy in this legislation.

Furthermore, as I understand it, this amendment would save for the American taxpayer many millions of dollars. In considering this legislation it would seem important to take into consideration the taxpayer who is going to pay the big bill here. If we can salvage a few dollars for the taxpayer in this legislation let us do so by all means.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. RYAN].

(Mr. RYAN asked and was given permission to revise and extend his remarks.)

Mr. RYAN. Mr. Chairman, I have the highest regard for the gentleman from Connecticut [Mr. DADDARIO] and for the effort and study he has devoted to this question. However, I find myself in direct disagreement with him on the basic question of public policy.

Mr. Chairman, the public policy issue was admirably stated this afternoon by the distinguished chairman of the Committee on the Judiciary, the gentleman from New York [Mr. CELLER] and the distinguished chairman of the Joint Committee on Atomic Energy, the gentleman from California [Mr. HOLIFIELD].

Mr. Chairman, the question is what is going to happen to the results, the fruits, of Government-financed research? Are they going to be freely available to the public or not?

I believe that we must, if we believe in having the benefits of Government-financed research available to all the people, vote down this amendment.

Mr. Chairman, section 302(d) in this bill, which the amendment would strike, is extremely simple. It simply provides that, when the taxpayers' money is used in research, resulting discoveries belong to all the people.

It is not normal business practice to allow a contractor to retain title to inventions resulting from his performance of a contract. Ordinarily, a contractor hired to perform research for another firm does not obtain title to inventions he develops in performing the contract. The party that hires him determines which, if any, of these inventions should be patented, and titles to any patents issued are assigned to that party. The idea that a research contractor should acquire for himself the right to exclude others from the use of such inventions is itself a rather interesting invention.

If the research to be financed by this bill is intended to benefit the public to the greatest possible extent, results of the research must be available to those whom the research is intended to benefit in the first place: the people of various States and regions. Section 302(d) merely assures that the intent and purpose of this legislation will be carried out.

It has been argued that an invention or discovery will not be put to productive use if it is available to everyone. No supporting evidence is given. Whatever facts we do have testify to the contrary.

There has been wide use of fertilizer improvements developed by TVA. It is estimated that the processes and methods controlled by TVA patents are used in the production of about two-thirds of



the granular fertilizer manufactured in the United States. Also TVA has licensed many corporations to use other processes and equipment.

The Department of Agriculture has licensed the leading drug manufacturers in the United States under its penicillin patents.

Under a patent for a cotton carding apparatus, the Department of Agriculture had issued, by 1960, over 11 licenses to companies in many areas in the United States. This item, which cost about \$150,000 to develop, was released publicly on March 31, 1959. A preliminary evaluation indicates a potential saving of over \$40 million annually by the entire cotton textile industry.

Industry has made very effective use of inventions and discoveries in the public domain. I have sufficient faith in our free competitive enterprise system to believe that when new knowledge is freely available to all on a basis of equality, it will be used and applied in myriad, ingenious ways.

Mr. Chairman, the position taken by the Committee on Public Works in opposition to this amendment is sound. The language of section 302(d) is not unique. On page 22 of the report which accompanies this bill the committee explains very clearly that this is language which has also been incorporated in previous laws, including the Agricultural Marketing and Research Act. It adopts the patent policy set forth in the TVA Act, the Coal Research and Development Act, the Helium Gas Act, the Saline Water Act, the Water Resources Act, the Arms Control and Disarmament Act.

Mr. Chairman, the public interest requires that the results of publicly financed research be made freely available for the benefit of all the people. The amendment should be defeated.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from Utah [Mr. KING].

(Mr. KING of Utah asked and was given permission to revise and extend his remarks.)

Mr. KING of Utah. Mr. Chairman, let me make clear my intention to support the present bill on final passage. I rise, however, to support the amendment proposed by my colleague, the gentleman from Connecticut [Mr. DADDARIO].

This amendment in effect deletes from the text of the bill as amendment added to the original Senate bill by the other body during the course of its debate thereon.

The material which was added by the other body, and which we are here seeking to delete, provides in effect that the patents resulting from research effort done under Government contract, will be made available to the general public. Although this provision gives the impression of rough-and-ready justice, its implications in my opinion are pernicious and strike a serious blow at our entire patent system.

It must be remembered that a patent, as such, is worth nothing without the accompanying exclusiveness guaranteed

to it by the Constitution. What many people overlook is that it takes a lot of money plus the incurring of serious risks, to develop a basic invention to the point where it can be used commercially. Unless a man is prepared to spend that money, the patent is valueless. And unless that man is guaranteed the right to exclusive use, he won't spend the money.

Perhaps I could use an analogy which would appeal to my colleagues from mining States. When a man perfects a mining claim on the public domain he knows that the claim is worthless unless it can be developed. The development may cost tens or hundreds of thousands of dollars. It consists in blocking out the ore, to make certain that the eventual mining operation will bring in paydirt, instead of just dirt.

In the same way, a patent needs to be developed. It has to be carefully adapted to commercial needs, which adaptation may take months, or years of time. To turn a patent over to the public at large, without giving to any one man the assurance that he can enjoy a proprietary interest therein during the long, tedious development process, is in effect to consign the patent to the gathering of dust on some shelf in the upstairs attic of a Government office. What I am saying, in effect, is that a patent available to everybody is to make it effectively available to nobody.

If the Congress of the United States should now establish the policy of denying to a contractor the fruit of his own inventive genius, simply because he happened to be performing a Government contract at the time he perfected the invention, then a shattering blow would be struck at the heart of our patent system. I would implore my colleagues to consider this matter very carefully.

There is yet another argument to consider. When the Government goes to a prospective contractor to procure a contract for research and development, it does so because that contractor is an expert in his field. If he is required by the terms of the Government contract to surrender to the public the fruit of any invention made by him while performing that contract within his field of expertise, he will be extremely reluctant to execute the contract in the first place. The reason is apparent. A patent owned by the Government, or the public, would greatly restrict his own efforts during the years to follow. It would constitute a blockade across the path of his own projected research and development. Patents are cumulative. They build up one on top of the other. The party who controls the foundation or basic patent also controls the subsequent perfecting patents which are built upon that foundation. So if the Government owns the basic patent on an invention which falls within the general area in which the contractor is an expert, that ownership would tend to block off a whole avenue of future research into which the contractor might otherwise proceed. In other words, by our shortsighted policy, we would be depriving the Nation of the golden eggs of future inventiveness by killing the goose of present incentive.

Let me remind my colleagues, Mr. Chairman, that the President's memorandum, which this amendment seeks to establish as controlling, provides ample governmental safeguards. Under all circumstances the Government will retain an exclusive irrevocable license to use the patented process or invention, or to sublicense it to any party and for any purpose. Where the Government feels that the security interest of the Nation requires retention of the patent by the Government, then it shall be retained.

What we are asking for, in other words, is a flexible rule, that will allow the agency head the right to take title or not, according to the circumstances.

I strongly urge this body to support the proposed amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. JONES].

(Mr. JONES of Alabama asked and was given permission to revise and extend his remarks.)

Mr. JONES of Alabama. Mr. Chairman, I hope the committee will rest upon the assurances given today to the members of the committee by the chairman of the Committee on the Judiciary, the gentleman from New York [Mr. CELLER], that there will be full and extensive consideration of this most important problem.

Now, Mr. Chairman, we have been engaged in the discussion and debate of this bill since Monday noon. There has been ample opportunity for every member of the committee to examine every aspect of this bill. It has been given thorough and careful consideration by the Committee on Public Works and through your deliberations here on the floor of the House.

Mr. Chairman, I do hope that we can get about the business of passing this bill within the next few minutes.

Mr. Chairman, I urge the rejection of the amendment which has been offered by the gentleman from Connecticut [Mr. DADDARIO].

The CHAIRMAN. The time of the gentleman from Alabama has expired. All time on the amendment has expired.

The question is on the amendment offered by the gentleman from Connecticut [Mr. DADDARIO].

The question was taken and the Chairman announced that the "noes" appeared to have it.

Mr. CRAMER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. JONES of Alabama and Mr. DADDARIO.

The Committee divided; and the tellers reported that there were—ayes 91, noes 151.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. CRAMER: Page 37, line 10, after "expenses" insert the following: "attributable to the economic development of counties, parts of counties, or other political subdivisions within the region."



Mr. CRAMER. Mr. Chairman, going by the desk a few minutes ago, having witnessed this last vote and the votes on all other amendments offered to this bill, a Member said, "It now looks like we have the great stampede rather than the Great Society."

In my opinion, what has happened here in the last 3 days and what undoubtedly will happen with reference to the last of these amendments is a travesty on the legislative process of America. There is no higher honor that a man can have than to serve in the Congress of the United States. There is no more serious responsibility. But the travesty which faces all of us, in the minority as well as in the majority, is when we hear, "regardless of merit, regardless of its being right, your amendment will be defeated here."

It finally came out on this last amendment. The orders are, "Get this bill to the White House and get it there today, regardless of what is in it."

Clap if you will. I repeat, this is a travesty on the legislative process, that this body should rubber stamp a bill of this significance, in which three major amendments were made on the floor in the other body without too much discussion, and numerous other amendments were made in committee by the other body, yet we are forced to accept it, rubber stamp it, regardless.

Let me give you another example of an amendment that I think has merit.

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from New Hampshire.

Mr. CLEVELAND. Does the gentleman suppose this is the beginning of a movement to establish a unicameral legislature here in the Capitol, just as the Supreme Court appears to be trying to do with our State legislatures?

Mr. CRAMER. I would suggest to the gentleman that the distinction between and the quality of the power between the executive and legislative and within the legislative between the Senate and the House becomes pretty fuzzy when the Members of the House do not consider these matters based on the merits thereof, instead, rather, they are instructed that the action of the other body be rubberstamped. Perhaps some will take issue with this and I would not be a bit surprised. But I would say in good conscience as to a number of the amendments offered in good faith in order to try to make a better bill out of a bad one that our efforts in good faith are being turned down summarily, as in the last vote, which is probably the best evidence of it.

Let us take this amendment, for instance. There is no question in my opinion as to the validity or soundness of it. This is what this amendment does. Under the bill, as written, for local development districts, as shown on page 37, the Federal Government can pay up to 75 percent of the administrative expenses of such districts. Now these local development districts do not have to be within Appalachia. I can cite you an example. Let us take Pennsylvania for instance. Let us say a district is

formed containing some 13 counties outside of Appalachia and 1 county inside Appalachia. Without my amendment, even though there is only 1 county out of 14 in Appalachia—without my amendment 75 percent of the administrative costs for the entire 14-county program could be paid out of this so-called Appalachia bill. Even though 13 of those 14 counties are outside of Appalachia and even though 13 of those counties may not be depressed.

My amendment makes Federal funds available to pay for only those administrative expenses which are attributable to the economic development of areas within Appalachia. I would not think anyone would argue about such an amendment because otherwise in order to get Federal money to finance these districts, even where it is not needed, all they will have to do is to get a little corner of Appalachia or make the whole rest of the State, if they want to or all portions of it a development district and the Federal Government digs up 75 percent of the cost. That is not right. You know it is not right. I hope this amendment will be adopted.

Mr. BOGGS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am constrained to take some note of what the gentleman from Florida has just said. The gentleman has used some rather colorful language. He has talked about a travesty of the legislative processes. He has talked about rubberstamping. Yet, I am wondering whether or not the gentleman is not really confessing that he has failed to make a case for himself and for his substitute and for the many amendments that he has offered here during the last 2 days.

What does the gentleman from Florida mean by "rubberstamp"? The gentleman offered a substitute yesterday. That was fully debated. I do not believe the distinguished gentleman from Alabama, who has been in charge of this bill, made any effort whatsoever to cut the gentleman off. He has had all the time he wanted. The vote came and his substitute was defeated rather overwhelmingly.

Then thereafter on yesterday the gentleman offered four or five or six other amendments. Each one was defeated.

Today the gentleman has offered a series of amendments and so far as I know the only amendment upon which time for debate was limited was one offered by one of our Democratic colleagues on this side of the aisle, and that limitation of time only came after there had been substantial and full debate.

I say to the gentleman, if there is any rubberstamp, I do not know where it is.

On Monday last, before we began debate on this bill, the bills on the Consent Calendar were considered by the House, and on that Consent Calendar there was a bill sponsored by the gentleman from Florida which was passed by unanimous consent. I presume that one might call that rubberstamping. The truth of the matter is that the gentleman has offered amendment after amendment for 2 days and he has talked more on this bill than everybody else put together and

he has been defeated on every amendment.

You know it reminds me of the days when I was growing up in politics. I grew up in an area where we used to have organized politics. My friends and sometimes my opponents would go out and seek the support of the organizations. If they did not get the support of the organizations, then suddenly they would become very independent and condemn the organizations.

I am happy to say that we on the Democratic side this year have a very united party. We are Democrats and we are proud to be Democrats. We have had very few fights on this side of the aisle. We have been united in our leadership. We have sought to consult with our people on the issues confronting the country. We seek to stand behind our President in the grave international crisis facing the world. We seek to support domestic proposals which we believe good for the advancement of our country. We will continue to do so despite what the gentleman from Florida may think about it.

Mr. ALBERT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it seems to me that my good friend, the gentleman from Florida, in proclaiming that he has witnessed a frustration of the legislative process, or words to that effect, is reading into this situation something that simply does not exist.

The fact that we on this side of the aisle have pointed out, and correctly pointed out, that the adoption of the amendment of the gentleman from Connecticut would considerably delay passage of the bill does not mean that such delay would improve the bill. Nor can anyone properly infer that because we are cautioning against such delay we are objecting to amendments which might improve this bill. The gentleman from New York [Mr. CELLER], has correctly advised that this whole matter of patent rights is before his committee and is properly before his committee.

I say to the gentleman from Florida that we are moving this bill not because we have not properly considered any amendment. We are moving this bill because this bill has been properly considered and should be adopted and sent to the President today.

Mr. LAIRD. Mr. Chairman, I move to strike the requisite number of words.

I should like to state, in answer to the gentleman from Oklahoma and the gentleman from Louisiana, that we in the minority, 140 strong, have no illusions about our ability to prevent the overwhelming Democratic Congress from working its will on legislation in this 89th Congress.

But I should like to point out to the members of the majority that we will continue to offer alternatives when we feel alternatives are necessary to the programs of the great planned society.

I believe that this is part of our representative form of government, and that we should continue to offer these alternatives whenever and wherever there is a need for such alternatives.

The gentleman from Florida has very ably set forth a Republican alternative



that is necessary to the Appalachia legislation proposed by the administration.

This Republican alternative justifiably and necessarily eliminates the pockets of prosperity in Appalachia and places a priority on the pockets of poverty wherever they exist in the United States.

Mr. Chairman, this is not a regional approach. It is the Republican approach, the minority party's approach to this very important problem.

While we have no illusions about our ability to carry votes in this 89th Congress, we intend to continue to set forth our position on each and every issue when we feel that the minority party should offer an alternative proposal.

I commend the gentleman from Florida for carrying out that responsibility of the minority party on this bill.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have seen the light in the heavens and I have joined the great stampede.

It is a nice and fitting term the minority has coined—the great stampede. We do look forward to a Great Society. It is a vision of a better world. No longer a street with one side lighted and the other darkened. No longer a country, as we envision it, where some little children go to bed every night hungry and nobody cares. Yes, it is a vision we follow to make come true. We have seen the light in the heavens and we have joined the great stampede.

Now, Mr. Chairman, that is not what I came into the well to say. I came here to compliment the gentleman from Florida [Mr. CRAMER] and the gentleman from New Hampshire [Mr. CLEVELAND] and all of the others on the opposing, minority side. You made a damn good fight.

Mr. Chairman, I have never heard a better debate on both sides than has been had on this bill. We have witnessed here the highest expression of debate. But, in closing, let me say to the leaders on the Republican side that you leave the field of battle scarred, it is true, but with the admiration of all of us on this side. Nobody could have fought better. We are mighty glad to have you with us. You make us proud of this House of Representatives. You are such able fighters and you lose so graciously.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### TITLE IV—APPROPRIATIONS AND MISCELLANEOUS PROVISIONS

##### Authorization of Appropriations

Sec. 401. In addition to the appropriations authorized in section 201 for the Appalachian development highway system, there is hereby authorized to be appropriated for the period ending June 30, 1967, to be available until expended, not to exceed \$252,400,000 to carry out this Act.

##### Applicable Labor Standards

Sec. 402. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, in-

cluding painting and decorating, of projects, buildings, and works which are financially assisted through the Federal funds authorized under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

##### Definition of Appalachian Region

SEC. 403. As used in this Act, the term "Appalachian region" or "the region" means that area of the eastern United States consisting of the following counties (including any political subdivision located within such area):

In Alabama, the counties of Bibb, Blount, Calhoun, Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, De Kalb, Elmore, Etowah, Fayette, Franklin, Jackson, Jefferson, Lauderdale, Lawrence, Limestone, Madison, Marion, Marshall, Morgan, Randolph, Saint Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, and Winston;

In Georgia, the counties of Banks, Barrow, Bartow, Carroll, Catoosa, Chattooga, Cherokee, Dade, Dawson, Douglas, Fannin, Floyd, Forsyth, Franklin, Gilmer, Gordon, Gwinnett, Habersham, Hall, Haralson, Heard, Jackson, Lumpkin, Madison, Murray, Paulding, Pickens, Polk, Rabun, Stephens, Towns, Union, Walker, White, and Whitfield;

In Kentucky, the counties of Adair, Bath, Bell, Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton, Cumberland, Elliott, Estill, Fleming, Floyd, Garrard, Green, Greenup, Harlan, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Lincoln, McCreary, Madison, Magoffin, Martin, Menifee, Monroe, Montgomery, Morgan, Owsley, Perry, Pike, Powell, Pulaski, Rockcastle, Rowan, Russell, Wayne, Whitley, and Wolfe;

In Maryland, the counties of Allegany, Garrett, and Washington;

In North Carolina, the counties of Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Davie, Forsyth, Graham, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey;

In Ohio, the counties of Adams, Athens, Belmont, Brown, Carroll, Clermont, Coshoc-ton, Gallia, Guernsey, Harrison, Highland, Hocking, Holmes, Jackson, Jefferson, Lawrence, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross, Scioto, Tuscarawas, Vinton, and Washington;

In Pennsylvania, the counties of Allegheny, Armstrong, Beaver, Bedford, Blair, Bradford, Butler, Cambria, Cameron, Carbon, Centre, Clarion, Clearfield, Clinton, Columbia, Crawford, Elk, Erie, Fayette, Forest, Fulton, Greene, Huntingdon, Indiana, Jefferson, Juniata, Lackawanna, Lawrence, Luzerne, Lycoming, McKean, Mercer, Mifflin, Monroe, Montour, Northumberland, Perry, Pike, Potter, Schuylkill, Snyder, Somerset, Sullivan, Susquehanna, Tioga, Union, Venango, Warren, Washington, Wayne, Westmoreland, and Wyoming;

In South Carolina, the counties of Anderson, Cherokee, Greenville, Oconee, Pickens, and Spartanburg;

In Tennessee, the counties of Anderson, Bledsoe, Blount, Bradley, Campbell, Carter, Claiborne, Clay, Cocke, Coffee, Cumberland, De Kalb, Fentress, Franklin, Grainger, Greene, Grundy, Hamblen, Hamilton, Hancock, Hawkins, Jackson, Jefferson, Johnson, Knox, Loudon, McMinn, Macon, Marion, Meigs, Monroe, Morgan, Overton, Pickett, Polk, Putnam, Rhea, Roane, Scott, Sequat-

chie, Sevier, Smith, Sullivan, Unicoi, Union, Van Buren, Warren, Washington, and White;

In Virginia, the counties of Alleghany, Bath, Bland, Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd, Giles, Grayson, Highland, Lee, Pulaski, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe;

All the counties of West Virginia:

Provided, That the Commission is hereby authorized and directed to study and consider, in consultation with the Governor of the State of New York or an appropriate official or officials designated by him, the inclusion of such counties of the State of New York as are contiguous to the Appalachian region as defined in this section and counties contiguous thereto in the Appalachian region for the purposes of this Act; and if the Commission shall decide after such consultation, that these counties share the social and economic characteristics of the region, and that the inclusion of these counties would further the purposes of this Act as set forth in section 2, then the Commission is authorized and directed to invite the State of New York to participate in the Commission on an appropriate basis: *Provided further*, That the Commission may extend the invitation to the State of New York for inclusion of such of the described counties the inclusion of which would further the purposes of the Act: *And provided further*, That if such invitation is duly accepted by the State of New York, those counties shall be included in "the region" or "the Appalachian region" for the purposes of this Act.

##### Severability

Sec. 404. If any provision of this Act, or the applicability thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

##### Termination

Sec. 405. This Act shall cease to be in effect on July 1, 1971.

Mr. CRAMER (interrupting the reading of the bill). Mr. Chairman, in keeping with the graciousness of the minority, I ask unanimous consent that title IV be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

##### AMENDMENT OFFERED BY MR. BALDWIN

Mr. BALDWIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BALDWIN: On page 45, after line, 2, insert the following new section:

"Prohibition of Approval of Certain Programs for Areas Which Are Neither Areas of Substantial Unemployment Nor Redevelopment Areas

"Sec. 404. No grant may be made pursuant to any authorization contained in section 202, 203, 204, 205 (a) or (b), 211, 212, 213, 214, or 302 of this Act to carry out a project in any area unless, on the date such project is finally approved for assistance by the Secretary administering such assistance, such area is qualified as an "eligible area" within the meaning of section 3(a) of the Public Works Acceleration Act."

And renumber sections 404 and 405 and any reference thereto as 405 and 406, respectively.

Mr. BALDWIN. Mr. Chairman, this amendment would not in any affect the road program. I recognize that the road program would have to be built in some kind of consecutive order even though it



might go through a county that in itself may not be depressed. But this section does provide that all other sections of the bill, the ones that would provide additional aid to airports or additional aid to sewers or additional aid to something else would only apply to those counties in Appalachia that actually meet the definition of a depressed county under the public works acceleration bill.

Mr. Chairman, this map shows all the counties in the United States according to the July 1, 1964 tabulation that met the test of the public works acceleration bill. Under that bill all counties that were included as depressed counties under the Area Redevelopment Act are shown either in dark green or light green and certain additional counties that meet the test of surplus unemployment under the public works acceleration bill are included in gold.

All counties in Appalachia, under my amendment, that meet this test of depressed countries would be included and would receive all these supplementary assistance funds. But there are, according to the latest definition, as of February 10, 1965, of the 360 counties in the regional definition of Appalachia, 76 counties that do not meet any of these tests and are not depressed. They include in the State of South Carolina the county that has the highest per capita income of any county in the State of South Carolina. They include in the State of Alabama the county that has the highest per capita income in the State of Alabama. Personally I do not believe, when we are aiming a rifle at a specific problem, that we should force other parts of the United States that themselves have depressed counties to pay taxes to provide a whole series of special benefits to 76 counties just because they happen to be within a defined region of Appalachia even though they themselves are not depressed.

So all that my amendment does is to state that for these special assistance programs, other than for highways, the counties in Appalachia would still individually have to meet the test of the public works acceleration bill before they could qualify for all these special assistance programs, so that other depressed counties in other parts of the United States would not have to pay additional taxes unnecessarily and without justification. It seems to me that this is only reasonable and proper and I urge favorable consideration of this amendment on its merits.

Mr. EDMONDSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is no question about the effect of the amendment offered at this time by the gentleman from California [Mr. BALDWIN]. It is identical to the amendment which the gentleman offered in the full committee at the time of the markup of the bill.

Mr. Chairman, this amendment if adopted would destroy the entire regional concept of this bill. It would destroy the possibility to have an organized and well-coordinated approach to the basic facilities requirements of this Appalachian region.

Mr. Chairman, while it is true that there are some counties in the Appalachian region that do not meet the strict criteria of the accelerated public works program I believe one needs only to look at the statistics of the per capita income of the counties which the gentleman as proposed in his amendment would eliminate, and compare them with the statistics of the per capita income in the counties which his amendment would preserve and see what a hairline difference there is between many of those counties.

Mr. Chairman, the average per capita income of the counties which the gentleman's amendment would keep in the bill is approximately \$1,411. The average per capita income of the counties which his amendment, if adopted, would discard and put out of the bill is approximately \$1,425. Thus, you have a difference in per capita income in the counties of only about \$14 a year.

Mr. Chairman, the gentleman from California would have us destroy the entire regional approach to this bill by knocking out these 60 counties where the average person makes \$14 more in a year's time than he does in the counties that the gentleman is willing to have stay in this program.

Mr. Chairman, I say to the members of the Committee that this amendment, like the other, was carefully considered in the committee. It was rejected by the committee, with some of the Members of the gentleman's own party voting to reject it. They have voted against the amendments that have been offered by the opposition throughout today. It is not an accident that this bill is coming through without amendment on the floor of the House, because in my experience here in the House of Representatives this has been the best-prepared piece of legislation that I have seen come through the Committee on Public Works. It is the result not only of years of work by the Regional Commission, participated in by 11 Governors and their staffs, but it is the result also of several years of consideration by congressional committees. We sat down and worked by the hour with representatives of the administration to try to frame language that would stand up under attack.

Mr. Chairman, most of our difference with the gentlemen on the other side with regard to the amendments that were proposed has been directed to the points that we felt were adequately covered by the language as contained in the bill or were covered by the language as contained in the report accompanying the bill. We have felt that most of these amendments that have been proposed were not necessary to this legislation. However, we feel that the amendment offered by the gentleman from California [Mr. BALDWIN] would be destructive of the entire purpose of the bill.

Therefore, Mr. Chairman, I urge its defeat.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BALDWIN].

The question was taken; and on a division (demanded by Mr. BALDWIN) there were—ayes 65, noes 172.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. McEWEN

Mr. McEWEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McEWEN: On page 44, line 9, strike out "such counties" and all that follows down through and including "Act" on line 13 and insert in lieu thereof the following: "the following counties of the State of New York in the Appalachian region for the purposes of this Act: Clinton, Delaware, Essex, Franklin, Fulton, Greene, Hamilton, Montgomery, St. Lawrence, Schenectady, and Schoharie".

On page 44, line 19, strike out "Provided further," and all that follows down through and including the colon at the end of line 22.

Mr. McEWEN. Mr. Chairman, I offer this amendment solely in the hope that one freshman Congressman might possibly fare as well as a freshman Senator in the other body. My amendment is directed to the amendment offered on the floor of the other body by the junior Senator from New York.

The amendment adopted by the other body, as set forth on pages 44 and 45 of this bill, calls for the inclusion of certain unnamed counties in the State of New York in the Appalachian region. These counties are neither Appalachian nor are they depressed. They were subsequently identified in the proceedings in the other body as being 13 counties. An examination of the map previously referred to by the gentleman from California [Mr. BALDWIN] will indicate that only 1 of the 13 counties in this amendment approved by the other body is Accelerated Public Works or Area Redevelopment Act eligible.

As contained in this bill, it calls for the inclusion of an indefinite area contiguous to Appalachia but identified in the proceedings as 13 counties. One of these counties, as pointed out by the gentleman from New York [Mr. ROBINSON] yesterday, has asked specifically to be excluded from the amendment.

My amendment, Mr. Chairman, will remove any question as to what counties in the State of New York are to be included in the Appalachia region by including 12 specific counties, 9 of which counties lie in the Catskill and Adirondack region and are geographically a part of Appalachia.

Nine counties are up to Accelerated Public Works and Area Redevelopment Act standards as depressed counties.

Of the other two counties included in here, one is in the southwest corner of the State, in the area adjacent to Pennsylvania, and Area Redevelopment Act eligible. The other is in the Appalachia region adjacent to Pennsylvania, and the third is such a small county I am advised there are no figures available on unemployment in this county of some 3,000 people.

The second part of the amendment is to clarify the matter of New York's being able to come into this program by striking out the section providing that the Commission may extend an invita-



tion to the State of New York to participate. The adoption of this amendment would clarify the meaning of that part of New York to be included, spelling out the counties that are most needy.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. I yield to the gentleman from Florida.

Mr. CRAMER. If the gentleman's amendment is not adopted, is it not true that the actual names of the counties involved will not be included in the bill and the Congress will have nothing to say as to what the actual counties involved shall be?

Mr. McEWEN. That is correct.

Mr. CRAMER. In connection with the amendment offered by Senator KENNEDY in the other body, of the 13 counties proposed to be included but not named, of those 13 counties one of them is a depressed area and 12 of them are not.

Mr. McEWEN. That is correct.

Mr. CRAMER. Does the gentleman know of any reason or justification why in the world those counties rather than the ones the gentleman suggests were included in the amendment?

Mr. McEWEN. I know of no standard or criteria being used in determining their eligibility for this program.

Mr. CRAMER. It is amazing to me that our committee or the other body, but particularly our committee, should include counties in New York which do not have depressed area problems and purposely and intentionally exclude counties such as contained in the gentleman's amendment, that do have them.

Mr. STRATTON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York.

(Mr. STRATTON asked and was given permission to revise and extend his remarks.)

Mr. STRATTON. Mr. Chairman, I rise in opposition to the amendment. On its surface there is something to be said for the change proposed by the gentleman from New York [Mr. McEWEN]. The counties which he lists are indeed suffering from unemployment and they do need help. One of them is included in my own district, Montgomery County, and it is unfortunately not included in the 13 counties now covered by the bill as a result of the amendment adopted in the Senate sponsored by the two distinguished Senators from New York [Mr. KENNEDY and Mr. JAVITS].

It is also true that some of the 13 New York counties now covered by the Kennedy-Javits amendment are not suffering from unemployment and are not eligible for assistance under the area redevelopment program or the accelerated public works legislation. Of the 13 counties covered by the Kennedy-Javits amendment 3 are in my congressional district, Chenango, Cortland, and Otsego. Of these only Otsego is currently listed as an unemployment area, eligible for help under the APW bill. In fact neither Cortland nor Chenango has ever been listed as suffering from unemployment.

Nevertheless, Mr. Chairman, I oppose this amendment because I am realistic enough to recognize that any change in the New York State areas proposed for

inclusion in this bill might well jeopardize the whole matter of including our State at all.

If the debate on this legislation during these past 3 days has made anything clear it is that this bill is a regional bill. The criterion for inclusion within the Appalachian region is not primarily economic, but geographic.

Counties that are not suffering from unemployment have been included to round out the region as a whole, and so that development in relatively prosperous areas can help to boost the economy of less prosperous parts of the overall area. And other counties that are suffering from unemployment have been left out simply because they are not geographically a part of the Appalachian region.

I do not believe the point has been made sufficiently clear here this afternoon, Mr. Chairman, that parts of New York State have always been regarded geographically as part of the Appalachian region. In fact when the first legislative proposals were made back in 1961, those southern areas of New York which have always been considered part of the Appalachian Mountain chain were included in preliminary discussions and planning on the legislation. These were, in fact, Mr. Chairman, the very same 13 counties which were mentioned in the Senate debate the other day and for which the door has now been opened by the Kennedy-Javits amendment. But in 1962 Governor Rockefeller made it clear that he did not wish New York to be included in the program, and so New York's counties were dropped from further legislative planning. And when you look at a map of the area covered by this bill today you will note that along the northern boundary of the region there is a straight arbitrary line at the Pennsylvania State border, rather than the kind of irregular natural geographic boundary that marks all other sections of the Appalachia area.

So the truth is, Mr. Chairman, that these 13 New York counties do properly belong in the area. They were removed from the area by unusual circumstances back in 1962. And the action of the Senate has now welcomed them back again where they belong, and where they originally were. That is the story of where these 13 counties came from. There is no mystery at all about it after all.

Mr. Chairman, I would be less than honest if I did not admit that I would personally prefer that all of the eight counties I have the honor to represent in this body were included in this bill, not only the county of Montgomery which appears in the pending amendment, but the other four as well. They need the help, all of them, and they could certainly use it. But to try to add them would be a futile gesture. Their addition could not be justified under the geographic standards on which this bill is based, and to try to upset those geographic standards would merely jeopardize the inclusion of any New York counties in the bill at all.

Let me just say, Mr. Chairman, to the people of Montgomery County that I shall continue to do everything in my

power to win approval of an extension of the ARA and the APW bills which have already proved to be so helpful to this great area and which could continue to provide much more needed help to them.

Mr. Chairman, some mention has already been made during this debate of the fact that the Kennedy-Javits amendment does not mandate the inclusion of the 13 New York counties but only makes it permissible, contingent upon the approval of the Commission itself and the Governor of New York. Since Governor Rockefeller, as I have already indicated, originally disapproved the inclusion of any New York counties in the program, the question has been raised whether he would not once again exercise his veto and keep the 13 counties out of the program. On that point, let me just advise the members of the committee that I asked Governor Rockefeller this very question last week here in Washington when the Governor met with all 41 members of the New York congressional delegation. The Governor assured us all that he would not veto the inclusion of these 13 counties but would instead support it. He assured us that he would not stand in the way of any New York county getting any help that it might be able to get. And he recognized that the road-building funds, the sewer and water construction, and flood control help which this bill would make available to these 13 New York counties, are certainly very much needed and could be most successfully put to use in these areas of southern and central New York State.

And so, Mr. Chairman, this bill can indeed help an important section of New York State, part of which I have the honor to represent. Adoption of the McEwen amendment would not add any new counties to the area, but it could well complicate, delay, and perhaps even prevent the inclusion of those 13 counties which are properly eligible for inclusion within the act. For that reason, therefore, I am opposed to the amendment, and urge its defeat.

Mr. McCARTHY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in 1960, when the Governors of the Appalachian region first met, the mountainous southern tier of New York State was included because sociologically, economically, historically, and geographically that is a part of New York directly contiguous to Pennsylvania which is a part of Appalachia. For some reason the Governor withdrew a year later and New York was not included. The junior Senator from New York introduced an amendment in the other body to include the southern tier of New York.

The opposition would substitute a patchwork which would destroy the basic concept of a regional development program, and despite what the gentleman from Florida said, these are poor counties. Of the 200 families in this area, 12 percent have incomes of less than \$2,000 a year. They alluded to the prosperous nature of some parts of it. It is true there are a few pockets of prosperity tucked into this overall fabric of poverty, but that does not destroy the



idea of poverty, it strengthens it because these can be the prosperous nuclei around which prosperous communities can be built.

I urge the defeat of the amendment.

#### PROGRAM FOR BALANCE OF WEEK

Mr. ARENDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this in order to ask the majority leader if he can inform us, while many Members are in attendance, just what will be taken up tomorrow legislatively.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman.

Mr. ALBERT. The only legislative matter pending at this time, as far as I know for the balance of the week, is the conference report, unanimously agreed to, on H.R. 45, relating to increasing U.S. participation in the Inter-American Development Bank. We are meeting at 11:15 o'clock tomorrow. If this matter can be disposed of at that time, we can adjourn before the Lincoln ceremonies. Otherwise, it will be taken up after the termination of the Lincoln ceremonies.

Aside from this there is no legislative business for the balance of the week that I am able to advise about at this time. However, we will meet on Friday. There may be a message from the White House.

Also, may I advise Members that we are meeting on Friday because we need another legislative day this week in order to make the education bill eligible for a hearing before the Committee on Rules by Tuesday of next week.

Mr. McCLODY. Mr. Chairman, I have listened to the entire debate here, seated at the minority desk, and I certainly want to commend both the gentleman on the majority side who has managed the bill, the gentleman from Alabama [Mr. JONES], as well as the gentleman on the minority side for the very constructive manner in which this debate has been presented. I have been able to follow the logic although I do not agree with the logic of the majority side as set forth in the course of this debate. I must say, however, with regard to this final section of the bill that there seems to be a complete departure from the logic that appears in other parts of the bill. For the first time we seem to be delegating legislative authority to a commission—a commission that is not yet created, with regard to an area that is not defined. And instead of defining the "Appalachia area" we find ourselves delegating this authority and letting someone else decide what the area is going to consist of. I cannot help but call attention to this defect insofar as constructive argument and constructive presentation so far as this section is concerned.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. McEWEN].

The amendment was rejected.

#### AMENDMENT OFFERED BY MR. McEWEN

Mr. McEWEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McEWEN: On page 44, line 19, strike out "on an appropriate basis" and insert the following: "on the same basis as every other State having counties within the Appalachian region".

Mr. McEWEN. Mr. Chairman, this amendment would simply strike out four words in this bill, the words being "on an appropriate basis."

It seems unique, as the preceding gentleman speaking just mentioned, that in this bill all of the other counties of Appalachia have been specifically spelled out and identified. The rights of all those counties in those 11 States to participate in this proposed legislation are spelled out on an equal basis. But the amendment offered and adopted on the floor of the other body in behalf of the State of New York simply provides that the State may share in this program—in the language of the bill—"on an appropriate basis."

My amendment, Mr. Chairman, would strike those words and add "on the same basis as every other State having counties within the Appalachian region."

As the gentleman from Florida mentioned, prior to today in discussing this bill, the language of the Senate amendment would clearly indicate that the State of New York is some sort of a "stepchild" in this program and is not to come in on an equal basis and with equal rights along with its sister States that are included in this bill.

Mr. Chairman, I urge the adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. McEWEN].

The amendment was rejected.

Mr. CRAMER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, with some trepidation after the remarks that were previously made, I will take a few minutes principally to mention the motion to recommit.

The motion to recommit will be that fair and equitable, nondiscriminatory, well thought out, and properly drafted non-public-works-boondoggle substitute known as H.R. 4466. It has been discussed previously pretty much in detail. However, since a number of Members were not here at the time, very briefly let me say that what it would do is to make available to all areas which, under the ARA and APW formulas, are depressed areas or labor surplus throughout America, those portions of the Appalachia program, after proper amendments, which we believe would have the long-range effect of improving the economic situation in those respective areas.

This includes highway construction, but not a duplication of present highways. There would not be a paralleling of present highways, but an emphasis on new highways in new areas to truly open the new areas to development.

Second, there will be proper safeguards. The substitute requires standards. It requires that highways be built to standards and that those highways then be maintained. All of this is lacking in the majority proposal.

As to demonstration health facilities, this substitute measure would eliminate

the operational expense, or socialized medicine, and leave in the construction costs.

The provision for land improvement, agriculture, and cattleraising would be stricken out, for obvious reasons, as explained in the debate.

Timber development organizations would be in, with twice the appropriation, \$10 million.

Mining area restoration would be in, with an increase to \$43 million.

The water resource study would be changed, but the appropriation would be the same. We do not wish to slow up the present surveys. We want a study and report to Congress as to what new surveys are needed.

Vocational education facilities would be doubled to \$32 million.

Sewage treatment works would be increased to \$12 million.

The PWA provision would be eliminated.

The administrative expenses of the Appalachian Commission would be eliminated because the States would do this under the development district concept which would remain in the bill.

I say to you in all sincerity that, in my opinion, this substitute will do a more constructive job on a long-range basis throughout America.

This substitute would provide, for those who believe in paraphrasing: One nation, indivisible, with equal treatment and antipoverty assistance, where needed, for all, rather than favored treatment for a few in a poorly drafted and poorly conceived manner, as contained in S. 3.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman from Florida yield?

Mr. CRAMER. I yield to the distinguished minority leader.

Mr. GERALD R. FORD. I want to compliment the gentleman from Florida for his efforts in helping to draft the substitute. I want to commend the minority members on the Committee on Public Works for the excellent minority views and additional views.

I say to the gentleman from Florida that I will support his substitute on the motion to recommit, and I will join him and others in opposing S. 3.

Mr. CRAMER. I thank the gentleman.

Mr. CAHILL. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from New Jersey.

Mr. CAHILL. As the gentleman knows, I represent one of the districts in the State of New Jersey close by Pennsylvania. We have some six or seven counties in the State of New Jersey which qualify under ARA and APW. As I understand it, they are not covered in the bill which is before the House. I ask the gentleman: If your substitute is adopted, would those counties in New Jersey qualify for this aid?

Mr. CRAMER. Yes. This very clearly exemplifies the complete unfairness and the discrimination of the approach in S. 3, proposed by the majority, and I believe the fairness of the approach of H.R. 4466, proposed by the minority.

Mr. CAHILL. I thank the gentleman.



Mr. CRAMER. Personally, I do not see how anyone who has such depressed areas outside of Appalachia could vote against the substitute.

Mr. WRIGHT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time solely for the purpose of paying a much-deserved tribute to a Member of this House who for the past 3 weeks has devoted almost all of his waking hours to the consideration, the drafting, the perfection, and the management of this major piece of legislation, the first major part of the President's legislative program to come before the Congress this year. Of course, I refer to the gentleman who so ably has guided the consideration of this bill in the ad hoc subcommittee of the Committee on Public Works as well as in the full committee and in this Committee of the Whole House. He conducted our hearings with great skill, infinite patience, and complete fairness. In spite of his own intimate knowledge of the terms of the bill, he has not usurped the time available or even taken to himself the prerogative of speaking on the bill during most of our considerations here but has encouraged all other members of the committee, and particularly the newer members, to take a prominent part in the consideration and the advancing of this legislation. I know they have appreciated this, and I think it has been a splendid gesture on his part. I refer, Mr. Chairman, to our very able and very distinguished colleague from Alabama, Mr. ROBERT E. JONES.

Mr. DOW. Mr. Chairman, allow me to support the agreement for inclusion of the counties of the southern tier of New York in the bill now before this House relating to Appalachia.

One of these counties is within my district. The average individual income in 1963 was \$1,771, nearly \$400 below the individual income of other counties in the 27th District of New York which I represent.

Unemployment in Delaware County, according to very recent figures from the New York State Department of Labor, averaged 5.9 percent in 1963, which was greater than for any other county in the 27th District.

Mr. Chairman, I do not believe that we expect great sums for aid in the southern tier. Many of our people may be poor, but they are proud and self-reliant Americans. What we look for only, is that in any case where debasing poverty exists, where there are extreme pockets of this curse—and there are some in Delaware County—that consideration be given us. The State of New York as a whole is said to be, on balance, providing more Federal money than it receives. We do not seek here to quarrel with this, but only to ask that where we do have low points of economic distress, the executive branch will look on these with the same consideration that it would look on similar distress in other States.

Mr. SICKLES. Mr. Chairman, today, when this country is enjoying the longest sustained period of economic improvement since the depression, many Americans are leading a good life and dreaming and planning for a better life

to come. Their level of past and current prosperity encourages them to believe that, with a little more work, a little more planning, they can build an even more secure and prosperous life.

These dreams, these plans, are not shared by a great number of their countrymen—the forgotten and neglected men and women of the Appalachian region. For these Americans isolated in an underdeveloped area, life has provided no basis for dreams, no foundation upon which to build a better future. For these people, life has taught only the human instinct for day-to-day survival—the lesson of not a better future, but only a similar tomorrow.

How can the people of Appalachia share the type of lives enjoyed by other Americans—

When, statistics show that one in three Appalachian families live on an annual income of less than \$3,000 a year, compared to one in five for the rest of the country;

When, the per capita income for the region in 1960 was only \$1,400 per year as compared to \$1,900 for the rest of the United States; and

When employment in the rest of the country went up 15 percent from 1959 to 1960, while in Appalachia it went down 1.5 percent?

Who has a good life today when there are 1,100,000 unemployed in the Appalachian region? Who can dream and plan a brighter future when only 32 out of every 100 youngsters finish high school and only 5 out of every 100 complete college?

The Appalachian region has fallen behind the rest of the country in economic development. In every category of human welfare the people of this region are well below national standards. In health, housing, education, community services, transportation, farm technology and even in sanitation, this region lags far behind the rest of the United States.

Long ago, I, as well as many Maryland officials, advocated a regional approach to the economic development problems of Appalachia and concentrated aid to cure the region's economic ills. Twice I sponsored bills which contained many of the programs now put forth by this well-conceived Appalachia bill.

The Appalachia bill would provide the basis for economic growth and personal renewal in the region. Through balanced and coordinated public and private programs, there would be spent more than \$4 billion for such long-range and comprehensive help as construction of highways to provide access in, out, and within this isolated region; construction of public works to control and exploit the region's rainfall; management of Appalachia's valuable resources of coal, timber and land; incentives for industries to locate in this underdeveloped area; and stepped-up aid for education, housing, health, vocational rehabilitation, and nutrition.

I am confident that once these programs are developed in Appalachia, so that there is an economic and social basis upon which to build, the people of this region will be able to provide themselves with an improved future.

Mr. GOODELL. Mr. Chairman, all of the counties in my congressional district are among the 13 New York State counties which would be studied for possible inclusion in the Appalachia bill.

If we adopt a regional approach to economic development certainly most of my district should be a part of this program. They share many of the same characteristics of the northern counties of the present confines of Appalachia. A majority of the local county governments have put themselves on record as favoring inclusion in the program. But the fact that the New York counties are merely to be studied for inclusion points up the basic defect in this bill. The Federal Government has been remiss in not providing the State of New York with "substituted mileage" under the Federal Highway Act so that the State of New York could speed up its construction of the southern tier expressway through these counties. Under present conditions, the Appalachia program, without further appropriations, would provide very little practical help to New York if these counties were added. However, it could open the door for New York to obtain needed funds for highway construction along the existing Route 17.

I have very serious doubts about the regional approach to economic development. The problems in Appalachia are not unique to Appalachia. They are pocketed across the entire Nation. The Republican substitute is designed to solve these problems on a national basis. The Appalachia program can, therefore, be criticized for its shortsightedness.

I favor the inclusion of counties in the program with very real needs. I question the wisdom of meeting those needs through a sharply limited program.

Mr. MONAGAN. Mr. Chairman, the Appalachia bill raises many more questions than it answers. Although it purports to assist an area which is depressed, it includes some of the most prosperous sections of the United States. It contains no means test for qualification. It also would create a paradoxical situation in providing funds to develop agricultural land while the Government is paying farmers in other parts of the country to restrict their use of existing farmland. It would sponsor uneconomical livestock production.

For us in New England there are very serious issues posed by this legislation, since it would, through 80 percent Federal financing, construct highways and sponsor industrial development in Appalachia which would mean that one more area would be created to compete in pirating New England industry and this time with the support of the National Government.

Most significantly, however, the regional approach opens up a whole vista of other similar regional approaches in the future. During the debate on this bill in the other body, there was an amendment covering an Ozark regional organization. Members of that body from Minnesota, Massachusetts, and New York gave notice that they were waiting in the wings to make comparable claims for their sections.

If we are to consider aid to depressed areas, it should not be on a piecemeal



and discriminatory basis. We have areas in Connecticut and New England which should be considered.

For all these reasons I believe that S. 3 is unsound and should not pass.

Mr. FLOOD. Mr. Chairman, on Public Works I applaud the action taken by the Committee. Last year and again this year I was afforded the opportunity of appearing and testifying before the ad hoc subcommittee of the House Committee on Public Works on the Appalachian bill, which is before us today for final action.

In my testimony before the committee, I spoke at some length on this measure as it would affect my area of Pennsylvania, the county of Luzerne, and the anthracite coal mining region.

The passage of this bill will prove to be of enormous benefit to my region because of the multiple problems of a serious nature that can be met by its enactment and implementation. These problems are primarily associated with coal mining and its aftereffects such as mine subsidence, burning culm banks, underground mine fires, strip mining, mine drainage problems and underground water control, surface water control, mine acid water, and stream and river pollution.

However, Mr. Chairman, as vital and important as these problems are I would like to make it understood that I am equally interested in the many other provisions of this legislation which will aid the 11-State Appalachian region, including my own State of Pennsylvania.

I know I speak for my constituency when I say we are vitally interested in an Appalachian development highway system that will open up areas that are now practically inaccessible; for the construction, equipment, and operation of multi-county health facilities, including hospitals, regional health diagnostic and treatment centers, and other facilities necessary to health; for providing of grants to landowners to assist in the improvement and development of land for pasture and erosion control in order to promote the conservation and fuller utilization of the region's land and water resources.

This bill, Mr. Chairman, is vital because it provides for technical assistance in the organization and operation, under State law, for timber development organizations having as their objective the carrying out of timber development programs to improve productivity and quality and to increase the returns of landowners through establishment of private nonprofit corporations on a self-supporting basis. The timber and lumber industries were at one time much bigger in many parts of Pennsylvania than they now are.

I also believe most important are the provisions in this legislation which will establish water resource surveys; more and better vocational education facilities; sewage treatment works in the interest of public health and clean streams, and the restoration of mining areas and the reclamation of land that has been stripmined.

With regard to reclamation of lands that have undergone stripmining, I understand a special Commission has been appointed to study this problem in depth

and to report back to the Congress by July 1, 1967. One determination that must be made is the question of reclamation of private lands and the reclamation of public lands that have been stripmined. In addition to the Federal Government, the State of Pennsylvania has also turned its attention to this matter of private versus public lands in the reclamation programs. Legislation has already been introduced in the Pennsylvania Legislature to make a legislative and legal determination of this phase of land reclamation.

The enactment and implementation of this bill and program to aid the region of Appalachia is indeed most necessary because in many, many ways this region has suffered from long neglect. This is our opportunity to improve and assist the economies of these areas and to raise the standards of living of our citizens residing therein. I am most happy to be one of the cosponsors of this badly needed legislation.

Mr. MOORE. Mr. Chairman, I rise in support of S. 3, the Appalachian Regional Development Act. I believe my position with respect to my support of this legislation is entirely consistent with my service since coming to the House of Representatives. I believe that there is a misunderstanding with respect to this legislation and the position of the Federal Government's moving into the area of regional development. The reason I make this observation is very simple. A great majority of us agree that the primary responsibility for the economic, educational and social development of a State is that of the States under our system of government. This I firmly believe.

However, I feel that under our Federal system wherein the State refuses to accept its primary responsibility in the field of providing an adequate economic, educational and social climate, it then becomes the secondary responsibility of the Federal Government to do so.

It should be obvious to all of the Members of the House that there has been an utter failure in this regard by the States in the area covered by this legislation. Therefore, I feel it is proper at this time for the Federal Government to accept its secondary responsibility and move in—in cooperation with the States—to bring about the economic, the educational and the social development in these States.

In other respects, I feel that my position in support of this legislation is entirely consistent for the reason that I opposed the Area Redevelopment Administration's request for additional funds and additional authority. The reason I gave which was later borne out and the statement that I made with respect to that vote was that the ARA did not meet the economic problems that existed in the problem area of the country, but spread itself across 50 States. As a result, some of the most economically depressed areas in our country were placed in competition with some of the most economically prosperous areas of the country with the aid of Federal funds, seeking to entice new industries to come into those areas.

It is perfectly obvious to me and proven to be so that an industry desiring to locate with the aid of Federal funds would naturally seek to locate in a prosperous State rather than an economically depressed State. For that reason, I believed that ARA presented a "fatal delusion" as an answer to the problems of economically depressed areas.

I said then and I believe now that there is an area of responsibility by the Federal Government, but that Federal aid would have to pinpoint itself in these economically depressed areas and certainly the Appalachian Regional Development Act does that. It pinpoints the use of Federal tax dollars in the area of greatest need.

A great deal has been said about this legislation being discriminatory in that it places a preference on Appalachia and that the benefits of the bill are not shared with all the 50 States. To me, that is the beauty of the bill. To me, that escapes the "fatal delusion" of ARA and other programs geared to solve the problems existing in our economically depressed areas.

As a West Virginian, I could cry discrimination today on a great number of bills that come through this House of Representatives, providing for the spending of great sums of money by the Federal Government on programs and projects which are peculiar to a certain part of the geography of this country. I could say in response to the \$2 billion military construction bill that will soon come before this House of Representatives that my State is discriminated against because it is one of four States that receive no funds under this particular bill.

In addition thereto, I could say to you that, as a West Virginian, I feel discriminated against in the spending of our defense dollar because very little, if any, funds of that massive spending program ever finds their way into my State. It is best that it be said here that I also could emphasize my assertion that my State is discriminated against in the military construction bill when I say that over the past 16 years that neither the Army, the Navy, nor the Air Force have sought to spend one dime for military construction in the State of West Virginia save for a few National Guard armories.

As I said, I could point to many Federal programs that I feel discriminate against my State, and point to numerous instances in Federal programs in which my State has been discriminated against—but I shall not—and I do not vote in that respect in the House of Representatives.

I am well aware of the responsibility my State accepts in this bill and I feel that it is necessary that we begin to tell our people that we must come up with our share of the funds to enjoy the provisions of this measure. That is, of course, the challenge to West Virginians, and I am hopeful that our public officials will treat the general citizenry as adults and make them aware of the fact that to fully participate in the benefits of this legislation, West Virginia will have to raise in matching funds approximately \$200 million.



I feel the cry of discrimination against this legislation is a hollow cry, and I believe that this Congress should enact S. 3, the Appalachian Regional Development Act into law.

Mr. LINDSAY. Mr. Chairman, I have listened with great care to the debate on this bill, known as the Appalachian bill, and I have read with care and interest the majority report, the minority report, and the additional views.

I am finally persuaded that the substitute bill to be offered by some of the Members of the minority is a better approach, fairer to all, more sensible, and of proven good.

The substitute bill to extend Federal financial assistance to all areas throughout the United States which qualify as "eligible areas" under the Accelerated Public Works Act and the Area Redevelopment Act does not confine Federal interest to a single region. It will authorize appropriation of funds, with varying State matching requirements, in amounts and for purposes as follows, for the period ending June 30, 1967:

[In millions]

Economic development highways.....	\$800
Demonstration health facilities.....	82
Timber development organizations.....	10
Mining area restoration.....	43
Water resource study.....	5
Vocational education facilities.....	32
Sewage treatment works.....	12
Grants for administrative expenses of local development districts and for research and demonstration projects.....	11
Total.....	995

The advantage of the substitute, which procedurally will be offered by way of a motion to recommit, is the tying-in of Federal efforts to high-priority areas of want and disadvantage without the artificial confines of a region. New York State, and more particularly some of our more depressed city areas, such as Harlem and Bedford Stuyvesant, could qualify under the substitute. This is impossible under the majority bill advanced by the administration.

Should the motion to recommit fail, I will vote for the majority bill on final passage for the simple reason that there is demonstrated need in the Appalachian region for a beefing up of the economy in its most depressed parts. The bill appears to me to be insufficiently tight and allows Federal expenditures in activities too local. But it is, nevertheless, reasonably tied to the effecting of improvement and redevelopment of coal waste lands, timber, transportation, land stabilization and erosion, reclamation, water resources, and health measures. One cannot deny the need and neglect that has occurred over the years. There are any number of reports which have analyzed the specific difficulties facing this particular region, and a number of solutions have been suggested. The bill, therefore, attempts to meet in this single region basic causes of unemployment and low income which characterizes so much of the area.

It would be easy to vote against this bill on final passage on the ground that my State is not included and that, even

should the 13 upstate counties be included, the areas of greatest disadvantage in the central city of New York are not. But we, as U.S. Congressmen, must consider the interest of the whole country and the needs of its parts, as well as the needs of our particular congressional districts.

I only hope that the program will provide sufficient momentum to the region so that it may carry on its own economic development without further special Federal assistance in the future.

Mr. FISHER. Mr. Chairman, I entertain grave doubts as to the need and justification for the pending legislation. Since the bill would grant special Federal assistance to only 11 States, it is highly discriminatory on its face. This is a depression-type remedy that is applied to an area which is enjoying general prosperity at a time when there is a relatively small amount of unemployment.

Moreover, it is proposed to expend \$1.1 billion the first year at a time when the President has estimated that we will take in nearly \$5 billion less than will be expended by the Federal Government.

Under this proposed plan, Federal funds would be expended for more road construction, hospitals, land improvement, rehabilitation of old coal mines, and a score of other questionable projects. It must be kept in mind that all of this vast outlay of Federal funds would be in addition to scores of other programs under which vast sums of money are already being pumped into this area from Washington. That includes the so-called antipoverty program and more than 30 other welfare programs.

We are told that the Appalachia project will set the pattern for many other regional programs in other areas of the country during future years. It has been suggested that when all of these welfare programs are activated the total Federal cost for financing them may very well approximate \$10 billion. Such estimates are usually too conservative.

There are many projects that are proposed which are obviously unsound. For example, it is proposed that in these 11 favored States the Federal Government will pay up to 80 percent of the cost of building a hospital, then equip it and pay the cost, or a substantial part of the cost, of its operation. Here we see overtones of socialized medicine at its worst.

Mr. Chairman, there is little reason to believe that the pumping of all this money into this one area will provide any permanent solution for economic problems that may exist there. In the final analysis, economic stability under our free enterprise system comes from the creation of jobs within the framework of competitive free enterprise. While it may very well be that by pouring all of this money into the favored area, a few industries may be tempted to move in and siphon off some of the Federal money being expended there, it may very well be that an industry that does move in will help create a depressed condition elsewhere, with resulting unemployment. We know that has been the experience

of the discredited depressed areas program that has been experimented with in recent years.

For these and many other reasons I feel impelled to vote against the pending bill. We know that many of the States that are included in the program are today enjoying as much or more prosperity than States that are not included. This legislation will set a bad precedent and simply will not solve basic problems over the long pull.

Mr. JENNINGS. Mr. Chairman, I wish to commend my colleagues on the House Committee on Public Works for their diligence in considering this proposal and bringing it to the floor early in this session. Especially, I commend the chairman of the Subcommittee on Appalachia, the gentleman from Alabama, the Honorable ROBERT E. JONES, JR. He has performed a most admirable service.

I fully support the Appalachian bill we have before us today. I introduced a similar measure in the House and presented testimony to the Subcommittee on Appalachia, as I did last year. I hope the final vote is completely favorable to the bill as it now stands. We need none of the amendments I have heard offered, most of which would have a crippling effect on the programs proposed.

All of the area I am privileged to represent in the Congress is included in the Appalachian region as defined in this bill. I believe you would be interested in knowing that the town of Appalachia is located in Wise County, Va., in my district. The citizens of this community, as are many others similarly located, favor this legislation and expect the programs envisioned to be of great help in their economic development plans. One of the proposed highways in the developmental system would pass through the town of Appalachia. This route, which would generally follow the present U.S. Highway 23, would go through Virginia from Tennessee to Kentucky. I expect it to be among the first roads constructed under the proposed program.

There is another route of major interest to my area, and which I have proposed as a part of the developmental system—U.S. Highway 460. I hope that it can be included when the system is fully designated.

Mr. Chairman, my remarks are brief because I support the bill, believe that it should be speedily approved, and feel that the time for discussion passed long ago. I urge my colleagues from all States—whether from the Appalachian region or not—to vote for this legislation.

Mr. FOUNTAIN. Mr. Chairman, the House Public Works Committee in reporting S. 3 says the primary purpose of the Appalachian program is to combat poverty—defined as family money income below \$3,000, according to the 1960 census. It described the bill as "the opening step in a campaign to bring the Appalachian region and the people of Appalachia up to the same economic level as the rest of the citizens of the United States." This, of course, is a laudable objective, but it overlooks the significant fact that in many of the States included in the proposed program, the Appalach-



ian counties are already considerably better off than other sections of these same States.

If legislation of this kind is necessary and advisable at this time, surely consideration ought to be given to bringing these poorer sections up to the average economic level of their respective States—and indeed to the level of the Appalachian counties—before or at least simultaneous with efforts to bring the Appalachian counties up to the national average. I am not advocating any new approaches. I think we have already passed enough such programs for the present. In view of our national debt, our defense burdens, and the other burdens we are already bearing, I feel that it is time to stop, look, listen and think before we embark upon any more costly programs of this kind. Nonetheless, that many of the poorest counties in the 11 States affected by S. 3 are frequently outside Appalachia is demonstrated by the following tables. The poor counties are identified here in precisely the same manner as in S. 3, by the level of median family money income as reported in the 1960 census:

TABLE I.—Number of Appalachia counties among 10 lowest income counties<sup>1</sup> in State

Alabama.....	None
Georgia.....	None
Kentucky.....	10
Maryland <sup>2</sup> .....	None
North Carolina.....	2
Ohio <sup>3</sup> .....	1
Pennsylvania <sup>2</sup> .....	None
South Carolina.....	None
Tennessee.....	7
Virginia.....	3
West Virginia.....	10

<sup>1</sup> Includes only counties with median family income under \$3,000, according to 1960 Census.

<sup>2</sup> No county in State had median family income under \$3,000.

<sup>3</sup> Only 1 county in State had median family income under \$3,000.

It can be seen from table I that in 3 of the 11 Appalachian States—Alabama, Georgia, and South Carolina—the 10 poorest counties in each of these States are located outside the Appalachian region. In addition, in Maryland and Pennsylvania there are no counties in which the median family income is below \$3,000. Ohio has only one such lower income county, which is situated within Appalachia.

In my own State of North Carolina only 2 of the 10 lowest income counties are in Appalachia. The remaining eight counties are located in the eastern part of the State, in the First, Second, and Third Congressional Districts. The median family money income for these eight counties ranged from \$1,451 to \$2,255, as compared with the State average of \$3,956. Among the 29 Appalachian counties of North Carolina, on the other hand, 8 exceeded the State average with the median family income of one county, Forsyth, approximating the national average of \$5,660. Two-fifths of the listed Appalachian counties of North Carolina had a median family income under \$3,000 in 1960, as can be seen in table II. In most of the other States this proportion was even lower.

TABLE II.—Number and percent of Appalachia counties classified as low income<sup>1</sup>

State	Number counties		Percent low income counties
	Low income included in Appalachia	Total in Appalachia	
Alabama.....	13	32	40.6
Georgia.....	7	35	20.0
Kentucky.....	41	49	83.7
Maryland.....	0	3	0
North Carolina.....	12	29	41.4
Ohio.....	1	24	4.2
Pennsylvania.....	0	52	0
South Carolina.....	0	6	0
Tennessee.....	29	49	59.2
Virginia.....	4	21	19.0
West Virginia.....	13	55	23.6
Total.....	120	355	33.8

<sup>1</sup> Low-income counties are the poorest 20 percent of all counties in the United States, ranked according to same 1960 census data used by the Appalachia program. To be classified in this group, a county's median family money income must be under \$2,920.

Table II shows the number of low-income counties in each State in relation to the State's total number of counties included in the Appalachia program. For the program as a whole, only one-third, or to be exact—33.8 percent or 120 of all the participating counties can be classified as "poor" in accordance with the \$3,000 criterion. The percent of low-income counties varies among the States from zero in 3 States—Maryland, Pennsylvania, and South Carolina—to nearly 84 percent of all Appalachian counties in Kentucky.

There is indeed a large concentration of families having a relatively low money income in several of the States, in which the Appalachian region is situated, but these lower income families are most often in the portion of these States outside Appalachia.

This proposed legislation is intended to promote the economic development of the Appalachian region. Accordingly, an activity such as highway construction, if found to be a sound investment for this purpose, must necessarily be constructed on a regional basis irrespective of the economic capacity and need of the States and their political subdivisions encompassed by the plan. The same justification, however, does not apply to other parts of the proposed program.

There is little justification, if any, in giving preference to a whole region for such activities as the construction and operation of medical facilities, and medical care, the construction of sewage treatment facilities, and the construction of vocational education facilities, without regard to the need and fiscal capacity of those who would benefit in comparison with other units of Government which are at least as deserving.

I have already indicated in this connection that many of the participating States have sections outside the Appalachian region that are actually less well off. Similarly, it can be demonstrated that other regions of the United States are, in whole or in part, less well off than some of the States included in the Appalachia program.

Now no reasonable person would argue that better medical facilities, an improved water supply, and broader vocational education opportunities would not

contribute to economic development. That, however, is not the essential point. Most regions of the country and sections of a State might be benefited by improvements in these services. Federal assistance for such programs, however, if found to be wise and necessary, should be made available on a more rational basis than an accident of geography. Fair treatment of all our citizens and the efficient use of Federal funds require that Federal grants for these purposes be made available on a national basis in accordance with uniform eligibility requirements related to service needs and local fiscal ability. If the Congress believes existing programs—of which there are many—for similar purposes should be expanded, they should be enlarged in this manner.

In addition there are no standards, based upon need, for determining eligibility of areas within Appalachia for the Federal grants-in-aid proposed by S. 3. Justification has not been shown for even a majority of the named counties to receive grants under all of the programs.

In fact, I sincerely differ with the basic premise of the President's anti-poverty proposals; that family income of less than \$3,000 annually constitutes poverty. Such a conclusion completely ignores many factors other than cash income, including price indexes, home-ownership, home allowance on farms, home food production, and so forth.

However, to use such a formula as the basis for this legislation and then to include many well-off and wealthy counties, with median family incomes well above the \$3,000 average, seems to me unjustified, certainly in connection with programs not of a regional nature, or at the most, only remotely regional.

Little has been said about the fact that we are being asked to enact this legislation on the basis of outdated 1960 statistics and data purporting to show "poverty conditions" in the face of more up-to-date information which ought to be available in each State and on the national level, that vast improvements have been made in Appalachia since 1960—certainly in many parts of this great area.

I have grave doubts about the propriety of several of the proposed programs under any new legislation, especially in view of existing programs. For example, the proposed medical care program financed entirely by Federal funds and including Federal staffing of the facilities, and the proposed Federal grants to private citizens—outright gifts—with minimum conditions, of course, go beyond anything I had expected the Federal Government to provide in legislation designed to help a given region.

I have touched upon only a few points which disturb me and compel me to vote against this bill, in spite of my human desire to do otherwise.

I sincerely hope my fears are not well founded, because my own State will benefit substantially through this legislation if the funds are wisely spent and the new highways and programs are properly placed. Several of my own North Carolina colleagues are extremely interested in this legislation and they



hope it will mean much to their respective areas. So do I. These interests alone make me want to vote for this bill.

I sincerely hope they will understand that this is a matter of conviction with me. I have deep respect for them and the wonderful people in the great areas they so ably represent. But I just have a conviction that this particular legislation has not been adequately thought out. More important, I have fears that it may represent a far-reaching and dangerous precedent, which will open unnecessarily the floodgates for numbered and unnumbered sections, regions, or segments of the United States to come in one after another, or many at the same time for similar Federal help. At least six have already been suggested.

A Member who votes for one may well find himself a victim of all the rest of the justified, the partially justified, and the unjustified proposals to follow. Competition is good but future regional fights for Federal funds, for industry, and so forth, may not turn out to be good for the regions involved or for the country.

I do not oppose the regional concept for attacking problems. I approve it where it is shown to be the best approach. There have been many, but not like this one. As others have pointed out, there is just no effective "needs" test and I am far from satisfied that the areas and States listed within Appalachia have, individually or collectively done all they could have done to solve their problems before this legislation was proposed.

Mr. BROOMFIELD. Mr. Chairman, in my judgment there are three general steps in the preparation of any plan for the future.

The first is to know what you have.

The second is to know where you are going.

The third is to know how to get there.

In our consideration of S. 3 today, I have more than a sneaking suspicion that we have ignored this sequence of events and instead are being asked to leap to some hastily arrived at conclusions based upon rosy dreams rather than reality.

If these rosy dreams could be backed up with fact and they could lead to a better, richer life and a brighter future for those people who are included in the Appalachia region we are considering today, then there would be nothing wrong with this dream.

But we have no such indication. In fact, past experience both here at home and abroad seem to point in the other direction. They should at least warn us that we are being asked to take a giant step in the wrong direction and in a manner which might be impossible to correct in the future.

I believe the reason that this mistake is being offered to us today is that the Federal Government is being urged not to practice what it preaches to others.

For years, various agencies of the Federal Government have been telling, urging, bribing—even attempting to coerce—our States and local units of government to base their plans for the future upon provable fact and predictable reality.

Certainly, the Bureau of Public Roads has been one of the leaders in helping

develop the methods of data accumulation and analysis which have been of such great value to our States and cities in planning their highway networks.

But it seems to me that we are preparing to ignore all these facts and methods and getting ready to put the cart before the horse.

This bill would authorize a total of \$1,092 million in Federal funds for this 11-State region. Of this total, \$840 million or roughly 80 cents out of every dollar authorized to be appropriated would be used for something called economic development highways.

On the other hand, less than 2 cents of every dollar authorized would go for vocational education facilities.

This is rather an interesting breakdown of these proposed funds, and I wonder just how it was reached?

As I understand the planning process, our first task should be accumulation of all available basic facts on the area in question.

We should take a look at the land and all improvements to it, its quality, its topography, its mineral content, the schools, the transportation system.

We should look at the region's economic base, its industry, its business, the movement of goods and the methods used, its agriculture and its recreation areas and their quality.

We should gather all possible information about the area's people, where and how they live, their education, their skills, their movements.

We should study local units of government and the steps they have taken to meet problems, to encourage new industry and business, the tax base, the cost and kinds of public services provided, bonded indebtedness, zoning and plans for future physical development.

Then—and only then—should the second step be taken, and that is the determination of the direction of the kinds of growth to be sought and the kind of tomorrow that will be provided.

Once these first two steps have been completed, once we know where business and industrial growth should occur and what will be necessary to bring about this growth, are we ready for detailed planning of such elements of our growth pattern as a highway network, how many miles are involved and how much it will cost.

Then and only then are we in a position to determine what sorts of public service facilities, such as water treatment plants, sewage treatment facilities, schools, zoning for residential, business, industrial or recreation use and the cost of these facilities and the amount and kinds of growth they will support and promote.

Yet, we are asked today to authorize \$840 million—an amount just shy of a billion dollars—for a program to build roads to we do not know where for needs we have not yet discovered.

Although I have had some few years experience on the House Public Works Committee in previous years, I cannot pretend to have the knowledge or the insight into some of these problems many of the members of this committee have on road construction and cost.

But I would like to have considered by

my colleagues something that we in the House Foreign Affairs Committee have noted and which could well have some importance in attempting to evaluate whether these roads will bring about the desired economic growth in Appalachia.

As you know, there have been programs of so-called farm-to-market roads in many countries of the world, financed largely by funds from our Federal Government and from the World Bank and other international lending organizations.

But in the country after country where these farm-to-market roads have been built on the theory that they will open up new areas and create more jobs in these depressed regions, something else has happened.

Rather than business going up the road to new opportunities, the people have gone down the road to the cities and they have refused to go back to their former homes.

I do not know whether this would happen if this network of roads were built in Appalachia, but I think somebody ought to find out. If such is the case, it would be a great deal less expensive for us to train these people in a trade and pay their moving bills to move to the city rather than building a network of highways and roads going nowhere.

Because we do not have the basic knowledge of what is in Appalachia, much less what is needed, I must therefore oppose S. 3 as a makeshift, slipshod proposal built upon an inadequate foundation of fact.

The \$1 billion involved is a huge sum. But even more important is the gamble we would be taking with the future of these families and their children.

If we are to build for tomorrow, let us build in a firm and solid foundation.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region, pursuant to House Resolution 249, he reported the bill back to the House.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

#### MOTION TO RECOMMIT

Mr. CRAMER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CRAMER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CRAMER moves to recommit the bill S. 3 to the Committee on Public Works with instructions to report the same to the House forthwith with the following amendment:

"Strike out all after the enacting clause and insert in lieu thereof the text of the bill H.R. 4466."



Mr. JONES of Alabama. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken, and the Speaker announced that the yeas appeared to have it.

Mr. CRAMER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 100, nays 323, not voting 10, as follows:

[Roll No. 28]

#### YEAS—100

Abernethy	Curtis	Martin, Mass.
Adair	Derwinski	May
Anderson, Ill.	Dickinson	Michel
Andrews,	Dowdy	Minshall
N. Dak.	Dwyer	Mize
Arends	Edwards, Ala.	Morse
Ayres	Erlenborn	Morton
Baldwin	Findley	Nelsen
Baring	Ford, Gerald R.	O'Konski
Bates	Frelinghuysen	Passman
Battin	Goodell	Pelly
Belcher	Grover	Pirnie
Bell	Gubser	Poff
Betts	Gurney	Pool
Bolton	Halleck	Quie
Bow	Hansen, Idaho	Reid, Ill.
Brown, Ohio	Harvey, Ind.	Reid, N.Y.
Broyhill, NC.	Harvey, Mich.	Reinecke
Broyhill, Va.	Horton	Rhodes, Ariz.
Buchanan	Hosmer	Robison
Burton, Utah	Hutchinson	Rumsfeld
Byrnes, Wis.	Keith	Smith, N.Y.
Cahill	King, N.Y.	Stafford
Cederberg	Laird	Stanton
Chamberlain	Langen	Talcott
Clausen,	Latta	Teague, Calif.
Don H.	Lindsay	Tupper
Clawson, Del.	Lipscomb	Walker, N. Mex.
Cleveland	McClary	Whitten
Collier	McCulloch	Williams
Conable	McEwen	Wilson, Bob
Conte	MacGregor	Wyatt
Cramer	Mailliard	Wydler
Cunningham	Martin, Ala.	Younger

#### NAYS—323

Abbitt	Clevenger	Foley
Adams	Cohelan	Ford,
Addabbo	Colmer	William D.
Albert	Cooley	Fountain
Anderson,	Corbett	Fraser
Tenn.	Corman	Friedel
Andrews,	Craley	Fulton, Pa.
George W.	Culver	Fulton, Tenn.
Andrews,	Curtin	Fuqua
Glenn	Daddario	Gallagher
Annunzio	Dague	Garmatz
Ashbrook	Daniels	Gathings
Ashley	Davis, Ga.	Gettys
Ashmore	Davis, Wis.	Gialmo
Aspinall	Dawson	Gibbons
Bandstra	de la Garza	Gilbert
Barrett	Delaney	Gilligan
Beckworth	Dent	Gonzalez
Bennett	Denton	Grabowski
Berry	Devine	Gray
Bingham	Diggs	Green, Oreg.
Blatnik	Dingell	Green, Pa.
Boggs	Dole	Greigg
Boland	Donohue	Grider
Bolling	Dorn	Griffiths
Bonner	Dow	Gross
Brademas	Downing	Hagan, Ga.
Bray	Dulski	Hagen, Calif.
Brock	Duncan, Oreg.	Haley
Brooks	Duncan, Tenn.	Hall
Broomfield	Dyal	Halpern
Brown, Calif.	Edmondson	Hanley
Burke	Edwards, Calif.	Hansen, Iowa
Burleson	Evans, Colo.	Hansen, Wash.
Burton, Calif.	Everett	Hardy
Byrne, Pa.	Evins, Tenn.	Harris
Cabell	Fallon	Harsha
Callan	Farbstein	Hathaway
Callaway	Farnsley	Hawkins
Cameron	Farnum	Hays
Carey	Fascell	Hébert
Carter	Feighan	Hechler
Casey	Fino	Helstoski
Chelf	Fisher	Henderson
Clancy	Flood	Herlong
Clark	Flynt	Hicks
	Fogarty	Holifield

Holland	Morrison	Schweiker
Howard	Mosher	Scott
Hull	Moss	Secrest
Hungate	Multer	Selden
Huot	Murphy, Ill.	Senner
Ichord	Murphy, N.Y.	Shipley
Irwin	Murray	Shriver
Jacobs	Natcher	Sickles
Jarman	Nedzi	Sikes
Jennings	Nix	Sisk
Joelson	O'Brien	Skubitz
Johnson, Calif.	O'Hara, Ill.	Slack
Johnson, Okla.	O'Hara, Mich.	Smith Calif.
Johnson, Pa.	Olsen, Mont.	Smith, Iowa
Jonas	Olson, Minn.	Smith, Va.
Jones, Ala.	O'Neal, Ga.	Springer
Jones, Mo.	O'Neill, Mass.	Staggers
Karsten	Ottinger	Stalbaum
Karth	Patman	Steed
Kastenmeier	Patten	Stephens
Kee	Pepper	Stratton
Kelly	Perkins	Stubblefield
Keogh	Phillbin	Sullivan
King, Calif.	Pickle	Sweeney
King, Utah	Pike	Taylor
Kirwan	Poage	Teague, Tex.
Kluczynski	Powell	Tenzer
Kornegay	Price	Thomas
Krebs	Pucinski	Thompson, La.
Landrum	Purcell	Thompson, N.J.
Leggett	Quillen	Thompson, Tex.
Lennon	Race	Thomson, Wis.
Long, La.	Randall	Todd
Long, Md.	Redlin	Trimble
Love	Reifel	Tuck
McCarthy	Resnick	Tunney
McDade	Reuss	Tuten
McDowell	Rhodes, Pa.	Udall
McFall	Rivers, Alaska	Ullman
McGrath	Rivers, S.C.	Utt
McMillan	Roberts	Van Deerlin
Macdonald	Rodino	Vanik
Machen	Rogers, Colo.	Vigorito
Mackay	Rogers, Fla.	Vivian
Mackie	Rogers, Tex.	Waggonner
Madden	Ronan	Walker, Miss.
Mahon	Roncalio	Watkins
Marsh	Rooney, N.Y.	Watts
Martin, Nebr.	Rooney, Pa.	Weltner
Mathias	Rosenthal	Whalley
Matsunaga	Rostenkowski	White, Idaho
Matthews	Roudebush	White, Tex.
Meeds	Roush	Whitener
Miller	Roybal	Willis
Mills	Ryan	Wilson,
Minish	Satterfield	Charles H.
Mink	St Germain	Wolf
Moeller	St. Onge	Wright
Monagan	Saylor	Yates
Moore	Scheuer	Young
Moorhead	Schisler	Zablocki
Morgan	Schmidhauser	
Morris	Schneebeli	

#### NOT VOTING—10

Conyers	Hanna	Toll
Ellsworth	Kunkel	Widnall
Griffin	McVicker	
Hamilton	Roosevelt	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Ellsworth for, with Mr. Kunkel against.  
Mr. Widnall for, with Mr. Roosevelt against.

Until further notice:

Mr. Toll with Mr. Griffin.  
Mr. Conyers with Mr. Hamilton.  
Mr. Hanna with Mr. McVicker.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. CRAMER. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 257, nays 165, not voting 11, as follows:

[Roll No. 29]

#### YEAS—257

Adams	Anderson,	Ashbrook
Addabbo	Tenn.	Ashley
Albert	Annunzio	Aspinall

Bandstra	Halpern	Perkins
Barrett	Hanley	Philbin
Beckworth	Hansen, Iowa	Pickle
Bingham	Hansen, Wash.	Powell
Blatnik	Harris	Price
Boggs	Harsha	Pucinski
Boland	Hathaway	Purcell
Bolling	Hawkins	Quillen
Bonner	Hays	Race
Brademas	Hechler	Redlin
Brooks	Helstoski	Reid, N.Y.
Brown, Calif.	Henderson	Resnick
Burke	Hicks	Reuss
Burton, Calif.	Holifield	Rhodes, Pa.
Byrne, Pa.	Holland	Rivers, Alaska
Cabell	Howard	Rivers, S.C.
Callan	Hungate	Rodino
Cameron	Huot	Rogers, Colo.
Carey	Jacobs	Ronan
Carter	Jennings	Roncalio
Celler	Joelson	Rooney, N.Y.
Chelf	Johnson, Calif.	Rooney, Pa.
Clancy	Johnson, Okla.	Rosenthal
Clark	Johnson, Pa.	Rostenkowski
Clevenger	Jones, Ala.	Roybal
Cohelan	Karsten	Ryan
Conyers	Karth	St Germain
Corbett	Kastenmeier	St. Onge
Corman	Kee	Saylor
Craley	Kelly	Scheuer
Culver	Keogh	Schisler
Curtin	King, Calif.	Schmidhauser
Daniels	King, Utah	Schneebeli
Davis, Ga.	Kirwan	Schweiker
Dawson	Kluczynski	Scott
Delaney	Kornegay	Secrest
Dent	Krebs	Senner
Denton	Landrum	Shipley
Diggs	Leggett	Sickles
Dingell	Lindsay	Sikes
Donohue	Long, Md.	Sisk
Dorn	Love	Slack
Dow	McCarthy	Smith, Iowa
Dulski	McDade	Staggers
Duncan, Oreg.	McDowell	Stalbaum
Duncan, Tenn.	McFall	Steed
Dyal	McGrath	Stephens
Edmondson	McMillan	Stratton
Edwards, Calif.	Machen	Stubblefield
Evans, Colo.	Mackay	Sullivan
Everett	Mackie	Sweeney
Evins, Tenn.	Madden	Taylor
Fallon	Mathias	Tenzer
Farbstein	Matsunaga	Thomas
Farnsley	Meeds	Thompson, La.
Farnum	Miller	Thompson, N.J.
Fascell	Mills	Thompson, Tex.
Feighan	Minish	Todd
Fino	Mink	Trimble
Flood	Moeller	Tunney
Flynt	Moore	Tupper
Fogarty	Moorhead	Tuten
Foley	Morgan	Udall
Ford,	Morris	Ullman
William D.	Morrison	Van Deerlin
Fraser	Moss	Vanik
Friedel	Multer	Vigorito
Fulton, Pa.	Murphy, Ill.	Vivian
Fulton, Tenn.	Murphy, N.Y.	Watkins
Gallagher	Murray	Watts
Garmatz	Natcher	Weltner
Garmatz	Nedzi	Whalley
Gibbons	Nix	White, Idaho
Gilbert	O'Brien	White, Tex.
Gilligan	O'Hara, Ill.	Whitener
Gonzalez	O'Hara, Mich.	Willis
Goodell	O'Konski	Wilson,
Gray	Olsen, Mont.	Charles H.
Green, Pa.	Olson, Minn.	Wolf
Greigg	O'Neill, Mass.	Wright
Grider	Ottinger	Yates
Griffiths	Patman	Young
Hagan, Ga.	Patten	Zablocki
Hagen, Calif.	Pepper	

#### NAYS—165

Abbitt	Bennett	Chamberlain
Abernethy	Berry	Clausen,
Adair	Betts	Don H.
Anderson, Ill.	Bolton	Clawson, Del
Andrews,	Bow	Cleveland
George W.	Bray	Collier
Andrews,	Brock	Colmer
Glenn	Broomfield	Conable
Andrews,	Brown, Ohio	Conte
N. Dak.	Broyhill, N.C.	Cooley
Arends	Broyhill, Va.	Cramer
Ashmore	Buchanan	Cunningham
Ayres	Burleson	Curtis
Baldwin	Burton, Utah	Daddario
Baring	Byrnes, Wis.	Dague
Bates	Cahill	Davis, Wis.
Battin	Callaway	de la Garza
Belcher	Casey	Derwinski
Bell	Cederberg	Devine



Dickinson	Jones, Mo.	Randall
Dole	King, N.Y.	Reid, Ill.
Dowdy	Laird	Reifel
Downing	Langen	Reinecke
Dwyer	Latta	Rhodes, Ariz.
Edwards, Ala.	Lennon	Roberts
Erlenborn	Lipscomb	Robison
Findley	Long, La.	Rogers, Fla.
Fisher	McClory	Rogers, Tex.
Ford, Gerald R.	McCulloch	Roudebush
Fountain	McEwen	Roush
Frelinghuysen	Macdonald	Rumsfeld
Fuqua	MacGregor	Satterfield
Gathings	Mahon	Selden
Gialmo	Mailliard	Shriver
Grahowski	Marsh	Skubitz
Green, Oreg.	Martin, Ala.	Smith, Calif.
Gross	Martin, Mass.	Smith, Va.
Grover	Martin, Nebr.	Springer
Gubser	Matthews	Stafford
Gurney	May	Stanton
Haley	Michel	Talcott
Hall	Minshall	Teague, Calif.
Halleck	Mize	Teague, Tex.
Hansen, Idaho	Monagan	Thomson, Wis.
Hardy	Morse	Tuck
Harvey, Ind.	Morton	Utt
Harvey, Mich.	Mosher	Waggoner
Hébert	Nelsen	Walker, Miss.
Herlong	O'Neal, Ga.	Walker, N. Mex.
Horton	Passman	Whitten
Hosmer	Pelly	Williams
Hull	Pike	Wilson, Bob
Hutchinson	Pirnie	Wyatt
Ichord	Poage	Wydler
Irwin	Poff	Younger
Jarman	Pool	
Jonas	Quie	

## NOT VOTING—11

Ellsworth	Keith	Smith, N.Y.
Griffin	Kunkel	Toll
Hamilton	McVicker	Widnall
Hanna	Roosevelt	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Toll for, with Mr. Ellsworth against.  
 Mr. Kunkel for, with Mr. Hamilton against.  
 Mr. Hanna for, with Mr. Griffin against.  
 Mr. Roosevelt for, with Mr. Keith against.  
 Mr. McVicker for, with Mr. Widnall against.

Mr. HAGAN of Georgia changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## CORRECTION OF ROLL CALL

Mr. SCOTT. Mr. Speaker, when the roll was called on the motion to recommend I was in the room but did not hear my name. I ask unanimous consent that I might be recorded as voting "nay."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

## ELECTION OF MEMBER TO THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. GERALD R. FORD. Mr. Speaker, I offer a resolution.

The Clerk read as follows:

H. RES. 253

Resolved, That HOWARD H. CALLAWAY, of Georgia, be, and he is hereby, elected to the standing Committee of the House of Representatives on Interstate and Foreign Commerce.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## THE INTER-AMERICAN DEVELOPMENT CORPORATION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the conferees on H.R. 45, the inter-American development bill, may have until midnight tonight to file a report, which is unanimous.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

## CONFERENCE REPORT (H. REPT. No. 137)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 45) to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 3.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(c) With respect to any dollars herein provided, the voting power of the United States shall be exercised for the purpose of disapproving any loan from the Fund for Special Operations of the Bank for any project, enterprise, or activity in any country, during any period for which the President has suspended assistance to the government of such country because of any action taken on or after January 1, 1962, by the government of such country or any government agency or subdivision within such country as specified in paragraph (A), (B), or (C) of subsection (e) (1) of section 620 of the Foreign Assistance Act of 1961, as amended, and the failure of such country within a reasonable time to take appropriate steps to discharge its obligations or provide relief in accordance with the provisions of such subsection."; and the Senate agree to the same.

WRIGHT PATMAN,  
 ABRAHAM MULTER,  
 WILLIAM A. BARRETT,  
 LEONOR K. SULLIVAN,  
 HENRY S. REUSS,  
 THOMAS L. ASHLEY,  
 WILLIAM B. WIDNALL,  
 PAUL A. FINO,  
 SEYMOUR HALPERN.

## Managers on the Part of the House.

J. W. FULBRIGHT,  
 JOHN SPARKMAN,  
 By J. W. F.  
 MIKE MANSFIELD,  
 By J. W. F.  
 BOURKE B. HICKENLOOPER,  
 GEORGE D. AIKEN.

## Managers on the Part of the Senate.

## STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 45) to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank, submit the following statement in explanation of the effect of the action agreed upon by the conferees and rec-

ommended in the accompanying conference report:

Amendment No. 1: This is a technical amendment, conforming punctuation to the addition of a new subsection in amendment number 2.

Amendment No. 2: This amendment added a new subsection (c) to the section 14 which the bill as passed by both Houses adds to the Inter-American Development Bank Act. The Senate amendment provided, "The voting power of the United States shall be exercised for the purpose of disapproving any loan from the Fund for Special Operations of the Bank for any project, enterprise, or activity in any country if the government of such country or any government agency or subdivision within such country, on or after January 1, 1962, has taken any action referred to in paragraph (A), (B), or (C) of subsection (e) (1) of section 620 of the Foreign Assistance Act of 1961, and has failed within a reasonable time to take appropriate steps to discharge its obligations or provide relief in accordance with the provisions of such subsection."

The actions referred to in paragraphs (A), (B), and (C) of section 620(e) (1) of the Foreign Assistance Act of 1961 are actions by any country which—

"(A) has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

"(B) has taken steps to repudiate or nullify existing contracts or agreements with any United States citizen or any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

"(C) has imposed or enforced discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, or has taken other actions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned."

As agreed to in conference, the amendment to the Senate amendment provides, "With respect to any dollars herein provided, the voting power of the United States shall be exercised for the purpose of disapproving any loan from the Fund for Special Operations of the Bank for any project, enterprise, or activity in any country, during any period for which the President has suspended assistance to the government of such country because of any action taken on or after January 1, 1962, by the government of such country or any government agency or subdivision within such country as specified in paragraph (A), (B), or (C) of subsection (e) (1) of section 620 of the Foreign Assistance Act of 1961, as amended, and the failure of such country within a reasonable time to take appropriate steps to discharge its obligations or provide relief in accordance with the provisions of such subsection."

Amendment No. 3: This amendment would have provided that the contribution of the United States under the new section 14 should be made upon condition that at least 33 1/3 per centum of the aggregate amount of loans made from such contribution should be repayable in United States dollars. The Senate receded.

WRIGHT PATMAN,  
 ABRAHAM MULTER,  
 WILLIAM A. BARRETT,  
 LEONOR K. SULLIVAN,  
 HENRY S. REUSS,  
 THOMAS L. ASHLEY,  
 WILLIAM B. WIDNALL,  
 PAUL A. FINO,  
 SEYMOUR HALPERN.

## Managers on the Part of the House.



## CORRECTION OF VOTE

Mr. GONZALEZ. Mr. Speaker, on the vote on the motion to recommit I understand I was not shown as voting. I was present and voted "nay." I ask unanimous consent that the rollcall be corrected to show that I did vote "nay."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

## CORRECTION OF RECORD

Mr. MOELLER. Mr. Speaker, at page 3830 of the RECORD of March 2, in the second column, line 45, in a statement I made, the word "crime" should read "prime." I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

## GENERAL LEAVE TO EXTEND REMARKS

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill S. 3, just passed.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

## COMMITTEE ON FOREIGN AFFAIRS

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the House Committee on Foreign Affairs may have until midnight tonight to file a report on House Concurrent Resolution 285.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

## UPPER PRIEST LAKE, IDAHO

(Mr. WHITE of Idaho asked and was given permission to address the House for 1 minute.)

Mr. WHITE of Idaho. Mr. Speaker, last month we heard the President's admirable plans for the beautification of America. Most of the work to be accomplished under the program for a beautiful America requires restoration and development of areas blighted by commercial and urban expansion. In our drive to return these places to as near their natural beauty as possible, I believe we should also implement the plans for preservation of spots which so far have not been marred by bulldozer tracks, and which have not yet been subject to speculative investment. Today I am introducing a bill to achieve this objective on Upper Priest Lake, which lies close to the Canadian border in the First Congressional District of Idaho.

It is difficult to speak objectively about beauty, particularly the beauty of one's home country. I recognize the esthetic principle, "De gustibus non disputandum," but I believe there would be no dispute about the unmatched scenic beauty of Upper Priest Lake. The lake

is surrounded on three sides by mountains and is accessible on the fourth by an easy water route. Joined to the larger lower lake by a clear, meandering stream called the thoroughfare, Upper Priest Lake is 4 miles long and three-fourths of a mile wide. The crystallike water is filled with game trout and salmon. Luxuriant forests bounding the tranquil lake support deer, bears, moose, and mountain goats, and other abundant forms of wildlife.

All property surrounding Upper Priest Lake is Government owned except the tracts described in my bill. The purpose of the bill is to permit the acquisition of the remaining private ownerships, so that all the land surrounding the peaceful and beautiful upper lake can be held in its primitive state for future generations. The acreage is small, 417 acres, but their importance is great, because commercial development threatens to change the natural setting of Upper Priest.

A bill similar to the one I am introducing is progressing through the Senate, under the able sponsorship of Senator FRANK CHURCH. Hearings were held at Priest Lake last fall and here in Washington this spring. Such unanimity of support for the legislation was evident at the hearings that the Senate Subcommittee on Public Lands favorably reported it immediately. The full committee reported it this morning.

During the hearings on S. 3067 of the 88th Congress and S. 435 of this Congress, it was suggested that the acquisition of the 417 acres be effected through the Land and Water Conservation Fund Act. For this reason I have provided in the bill I offer to the House that section 6 of that act be implemented for the addition of the lands to the Kaniksu National Forest. Through utilization of these funds, I believe the budgeting consideration will be minimal.

Another slight difference in the bill I sponsor and S. 435 is an explicit direction that the lands be acquired as amicably as possible. Several witnesses at the field hearings indicated their opposition to the employment of the power of eminent domain in adding the 417 acres to Federal ownership. I sympathize with their reservations about extending the governmental power of condemnation for the purpose of obtaining scenery. For this reason, my proposal suggests that the lands desired be exchanged for other Federal lands. In this way the county will not lose tax revenues and the acquisition could proceed with the speed necessary for preserving the beauty of Upper Priest Lake. If exchange, after every honest effort is made, proves impossible I have allowed for purchase of the lands by a negotiated contract. If this alternative is necessary the bill contains guidelines for the negotiation; such as the opportunity for the seller to accompany the purchaser during the appraisal of the property and the establishment of a fair value for the property prior to negotiation.

In view of the safeguards provided in the House bill, I heartily urge the Members of this body to lend their support to the preservation of the rare American beauty of Upper Priest Lake.

## A TRIBUTE TO FLORIDA ON THE OCCASION OF THE 120TH ANNIVERSARY OF HER ADMISSION TO THE UNION

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, the State of Florida, on this day observes the 120th anniversary of her admission to the Union—and everyone familiar with the State, her history, her people, and her grand traditions, glories in a feeling of accomplishment. For in this period, this brief span of time, from 1845 until now, the name of Florida has come to stand for many things great, varied, and fascinating in the hearts and minds of many millions of Americans.

When Florida became a territory of the United States, her development was confined very largely to the coastal cities of northeast and northwest Florida. In the territorial period from 1822 to 1845, Florida grew from a backwoods swamp-land, rife with the dangers of Indian attack, to a rapidly developing, up-and-coming civilized section, in which much of the area from St. Augustine to Pensacola was transformed into plantations and small farms.

The Seminole War brought an end to Indian problems, after which thousands of American settlers began pouring in. In short time it was clear that the Government's main problems were to open up new lands and to develop transportation systems. Even from the start, heavy immigration from the North made Florida exceptional in this regard, among the several States of the extreme Southeast.

In 1850, shortly after her admittance to the Union, Florida ranked 31 out of 31 States in population with a total figure of 87,445. Compare this with her ranking of today, ninth of 50 States, with a population of 5,705,000.

As time has passed the sovereign State of Florida has continued to flourish and attract the multitude. Its friendly people, thriving commerce, gentle climate, and beauteous surroundings amount to something in the nature of a magnetic force—or so it would seem.

Florida's farm acreage has increased a neat 10 times over the figures from the 1850 census, and the value of livestock is hundreds of times greater. In the area of manufacturing, Florida had less than 1,000 people employed in manufacturing in 1850. Today close to a quarter million people are now classified in this field. When Florida was admitted to the Union, she had 1 representative of the 234 in the House of Representatives. Now, with 12, Florida ranks as ninth in representation. I also point with a great deal of pride to the role that Florida has and is continuing to play in the field of development, maintenance, and operation of our military defenses and in the space effort. It is in my State where so very much work, which is vitally important to our national security, is being conducted.

The modern development of Florida is characterized by a blending of the people from all the corners of the Union: the native southerner, and his new neighbors,



economics of airline operation. Clearly, cities that do not generate much traffic cannot be served with many flights. At present, in fact, the feeder airlines, the short-haul airlines to cities which do not qualify for mainline service, depend heavily on subsidies, sometimes a very large fraction of their total revenues. If technology can reduce the cost of air transportation, the city coverage could be improved.

A third item for improvement is the transportation to and from airports with respect to both time and convenience. The advent of VTOL may improve this considerably; until then, it is a matter of urban transportation.

The fourth item of improvement is the increase in the speed of flight. Actually, as far as the in-flight part of a journey is concerned, already tremendous progress has been made. Eventually, presumably jets will be used even by the short-haul feeder lines. Air travel time has indeed been cut down.

How far does an improvement in speed continue to make sense? The biggest questions with respect to the advent of supersonic transport is simply the problem of spending great resources in order to shorten a flight time which is already short in many cases compared to the ground travel time. Most of you know that half an hour at the terminal is a minimum except for those few cases where aircraft are operated as buses in shuttle flights; if one calculates in addition to the half hour on the ground, another half hour to get to the airport from the center of any city, one discovers that most of the flight time is in fact spent on the ground for flights of a few hundred miles.

Still another area of improvement has to do with increasing comfort. For first-class travel on a modern jet for the hours involved, most passengers are indeed as comfortable as one can expect from travel.

A final area of improvement has to do with safety. Actually, the airlines of the United States have operated for many years well below the one passenger fatality per 100 million passenger miles. This is better than private automobile transportation, although not as good as bus and railroad transportation safety records. Still, there remains a large percentage of American people who have not flown and do not care to fly; their opinions of flying are strongly based upon the crash record of aircraft. They do not consider the statistics.

As a country we have more generally stated objectives for improvement in our civil aeronautics picture. In the first place, we must insure that our economy continues to have the best air transportation system to give it a continuing advantage in world competition. Secondly, it is important for us to insure that our aeronautical developments are sufficiently great to continue our leadership in home and world sales of our aeronautical products. Third, in technical matters, there is always a matter of recognized world leadership which adds to our stature in the world around us.

What does technology offer in the improvement of civil aeronautics? What will we get from the large sums of money that our Government is spending in aeronautical research? About \$1 billion is spent per year by the Department of Defense alone in aeronautical research. The research and development in aeronautics by the National Aeronautics and Space Administration, although only a small fraction of their total budget, still is between \$100 and \$200 million according to one estimate I have seen. The Federal Aviation Agency spends \$50 million on research and development. To this amount, already over a billion dollars, goes some private research and development money which is difficult to estimate.

For civil aviation, I believe that the area of technology which needs the greatest sup-

port over the years immediately ahead is that of guidance and control so that our air traffic control system can, first, improve the performance of our current air transportation and second, handle the increased volume which has already been indicated can be as much as doubled in the next 10 years.

At the airports, one of the problems that must be solved is the automatic landing of aircraft. Airports are one of the principal bottlenecks and causes of delays in the system. More airports are needed, but particularly automatic techniques for landing aircraft more rapidly are needed.

Another point where air traffic control requires new equipment is to establish an in-flight radar system which gives complete information, that is, three-dimensional information, extremely accurately on aircraft.

I believe that all the fields of engineering and science involved in this area offer more than ample promise to produce quite substantial improvements. In fact, the fields of engineering and science, behind radio radar, communications, inertial tracking, and information handling, are amongst the most promising of all.

These technologies of guidance and control contribute not only to traffic handling capacity, growth, prevention of weather delays, prevention of traffic delays, but also and most importantly, increased safety. If done perfectly, air traffic control would eliminate in-flight collisions and many of the landing accidents due to faulty control in both good or bad weather.

There is one thing to be guarded against. The air traffic control system could be developed in such a way that individually and company owned planes could be priced right out of business, because of the expense of the required guidance and control equipment.

I believe that the next most promising area of technology for improvement of our civil aviation is that of propulsion. Over the decades, and right up to now, most of the major improvements in engines or aircraft have been sponsored by the military services. These military services knew that the long leadtime development item in bringing out a new military aircraft was the engine, requiring several years, possibly a half a decade or more. In the last few years, partly because of the question on the further usefulness of aircraft in military actions, and partly because of the growing expense of each engine development. Engines were planned more specifically for particular aircraft and they tended to slow down the development cycle of the complete aircraft.

Today, fortunately, there seems to be a return to the realization that engine developments must be continuous to make best progress. The Department of Defense is developing new engines for aircraft of the future. And many of their developments will be useful for civil aviation.

Most of the advances in propulsion for civil aviation will come in the field of turbojets and their various derivatives. I consider this field of technology rich in promise in both variety and magnitude.

A third area of great import to the future of civil aviation is in materials and structures. The development of aircraft to date has been greatly dependent upon the development of new materials. Beginning in the late 1920's, the light metal revolution, the alloys of aluminum and magnesium, and the development of aircraft were practically synonymous, and they are still being improved for subsonic aircraft use. When aircraft designs began pushing into the supersonic regions where the skin temperatures became higher, and the properties of the light metals and their alloys began to deteriorate, the steels came into being. Then followed the titanium revolution, first for jet engine components and later for complete aircraft. It appears, from the small amount of information that has been re-

leased on the A-11, that the titanium revolution has been accomplished and that a complete mach 3 airplane has been built using this new technology.

One can ask, are there other revolutions, or even improvements, that are possible, and the answer is generally yes. In the first place, titanium, steel, aluminum, all can be improved in their properties. More important, however, there are potential revolutions. The structural efficiency can be greatly improved if beryllium can be made usable in jet engines and in aircraft. An even greater potential is promised by the boron fiber technology.

Again, the improvements in materials and the structural techniques of using them can be used in many ways. Improvement of the structural efficiency can be used to make smaller aircraft to do a given job, or more effective helicopters and VTOL airplanes or higher speed, longer range aircraft.

A fourth area of technology that offers great promise for aeronautics is aerodynamics. There is very much to be learned in the entire range of Mach numbers from very low to the high subsonic at which we are now flying, and into and above the supersonic. Furthermore, even for the high subsonic speed aircraft, improved aerodynamics such as boundary layer control, reduction of skin friction, the improvement of flaps' design, the employment of blowing to improve flaps, improvement in leading edge stall, getting better airfoil shapes, all will improve aircraft design. In the case of the aerodynamics of lower speed craft, VTOL and so on, helicopters, a tremendous amount of data must be gotten. There seems to be a new field of aeronautical science emerging in which aerodynamics and propulsion are merging. The employment of some engine power, not to insure thrust, but to increase lift or reduce drag as in the case of boundary layer control, or blown flaps, are good examples. Actually, the field is just beginning to yield some of its technical treasures.

In aerodynamics, it must be said that the country was harmed by the tendency for individual aerodynamicists and whole research laboratories to shift to the more glamorous higher speed aerodynamic fields. Many of the best aerodynamicists converted themselves first from subsonic to transonic, then transonic to supersonic and on to the extreme hypersonic speeds of reentering space vehicles. Until we interest more young men in the ordinary speed aerodynamics, we will not get all we can out of the field.

As I review my remarks on the promise offered by research and development in the areas of guidance and control, propulsion, materials and structures, and aerodynamics, several conclusions seem to stand out. First, a continued bright future for aeronautics in the United States will not be limited by lack of promise in any of the component technologies. There is no leveling off of possible technical gains. None of the fields are devoid of new promising ideas.

A second conclusion is that research and development in these different fields are supported in quite different ways.

1. In guidance and control, research, development, design are done mostly in industry, some in Government, and a small amount in academic labs. The Government support for component developments is channeled through both the FAA and the Department of Defense. For civil aviation the systems for air traffic control are the responsibility of the FAA.

2. In propulsion almost all of the support of the technology and most of the complete engine developments used in civil aviation have been accomplished in industry, but planned and supported by the military services. Some research is done in Government labs. For light aircraft, exception must be made.



3. In materials most technology comes from the materials and supplying industry, and the structural techniques of using these materials from the aircraft companies. Most of this technology is supported by the military services.

4. Aerodynamics has traditionally been a team effort between the aerodynamic laboratories of the old NACA, now a small part of NASA, the aircraft companies, and the military services with some research done by academic labs. Aerodynamics research has been supported by NASA and the military, and much of the aerodynamic development is done on the big aircraft contracts themselves.

One can truly say that the development program behind civil aviation does not have much centralized planning control. If any of the agencies should decrease the interest and support of aviation for any reason, there would be an imbalance of major proportions created. Possibly here is a point where Government structure and agency responsibility should be restudied. At least the Congress and the administration must continue to balance developments in these many fields.

One of the most important assets in the aeronautical strength of the United States is not served solely by the support of research and development. Within our great aerospace industry, we have teams of engineers and businessmen who have mastered the techniques required to engineer, design, construct, test and produce great aircraft. And behind them are the industries supplying the components and materials. Of all of our assets, these may well be the most priceless. Unless these teams are constantly enlivened by in fact going through the entire procedure by coming out with completely new aircraft, they will lose their priceless competence. Fortunately, as the number of the types of aircraft have been reduced, these great companies have been able to keep their teams together and their systems capabilities alive by application to guided missiles and also to spacecraft.

Behind all of the applied research, development and design and testing for civil aviation there lies basic research in the fundamental physical sciences. Some support for these, of course, comes from the military services and NASA. However, the National Science Foundation carries the brunt of this load, and rightly so.

I have indicated some of my thoughts on the distribution of research and development. What about support for specific systems and aircraft? My highest priority is on that equipment for the FAA to improve by large orders of magnitude their capabilities in air traffic control, both the inflight and the terminal control and landing. I have already introduced some of these.

For specific projects leading to aircraft for the civil aviation of the future, I have already mentioned that I thought the development of the high subsonic speed, very large transport which is now getting underway in the military is one of the most important developments as far as offering promise for the future of commercial aviation.

One might ask what new important developments in vertical takeoff and landing aircraft should be undertaken for civil aviation. From the standpoint of civil aviation, I believe that this area is receiving a reasonably good development from the military support. Straight helicopters, compound helicopters, as well as lift engine, fan-in-wing, tilt engine, and tilt wing VTOL and STOL aircraft are being tried for important roles in the military battlefield and near battlefield transportation. Most of the technical points which are important for future civil aviation are being developed in these military projects. It is my opinion that this area is not neglected as far as the development of aircraft. I do believe that as the VTOL aircraft are developed, that the air traffic control system must be prepared to incorporate them in its total air transporta-

tion picture. And I also think that the Congress should study ways to encourage airline operators, or entirely new entrepreneurs, possibly by subsidies, possibly by changes in regulations, to try some experiments in actual VTOL transport companies.

We have discussed at great length in this meeting the supersonic transport. Its operation will involve certain problems, some of which are really unanswered at the present time. One of these is the supersonic boom problem. You also know by now that the supersonic transport, as envisioned at the present time, will probably not be applicable except over the long overseas routes and possibly the transcontinental runs. There are many important problems of air transportation that the supersonic transport will have no impact on. Still, it is my opinion that supersonic transport prototypes will be built.

There are other questions about where the future financial support of air transportation should go. One has to do with the impact of space transportation versus earth transportation. Space travel, for a long time to come, will be confined, I believe, to exploration and to scientific research. Even when it becomes more practical for passenger and freight transport, I doubt that transportation involving rockets at extreme altitudes flying most of the way around the world will have a heavy impact on the air transportation picture on earth. If it ever promises to, decisions can be made at a much later time. I do not think that our civil aviation should at the present time be concerned with space. There are problems enough in the support of conventional subsonic aircraft, supersonic aircraft, VTOL planes, and the air traffic control system. One asks the question, should we presently be supporting, for civil aviation purposes, work in hypersonic flight in the mach 6 region? Certainly, hypersonic flight is technically feasible. Supersonic combustion, turbo ramjets, hydrogen-burning rockets, and air-breathing engines, all of these deserve some research, and I believe that they will get this research through the military and NASA, for the space and military programs will be the principal beneficiaries for some time.

There is one concern that I have had for some time with respect to the future of aeronautics in this country. That concerns the education of engineers who are interested specifically in civil aviation developments. Good students often shape their lives around the ideas which they first began to embrace in the research done when they are obtaining advanced degrees. Since the strong movement toward space and missile started within the last decade, there has been a marked movement of many of the best professors and students away from the kind of aeronautics applicable to civil aviation. There are many more fellowships available in the space sciences than there are in aeronautics and there is a great deal more research support. This could result eventually in a serious lack of highly motivated, superior quality engineers interested in the design of civil aircraft and their components. This shortage will not be felt for some time because at the present, I think we have a great deal of this talent in the many qualified industrial companies.

### Tributes to Mrs. Frances P. Bolton

SPEECH  
OF

HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 2, 1965

(Mrs. BOLTON asked and was given permission to address the House for 1 minute.)

Mrs. BOLTON. Mr. Speaker, I asked to be recognized for a Democratic minute once before, and Sam Rayburn gave me 4 minutes all told. The conversation was all about diapers, and I promised him that I would make you all laugh, and you all did. However, this time the conversation will not be about diapers. This time I am speaking very deeply from my heart and saying that I appreciate all the courtesies that you have shown me. Particularly I appreciate the fact that you have ceased to think of me only as a Congresswoman, which I was never elected to be. I believe you will not find such a word in the dictionary. I am just one of the boys. I appreciate that more than I can possibly say because we have it back and forth sometimes, and that is what makes for good statesmanship and makes for good sense and makes for the camaraderie we have in this marvelous organization which is the House of Representatives of the United States. I cannot begin to tell you how deeply overcome I am by this expression. I had not expected it at all and I had said nothing about it, but I do want to say to you that I am wearing a pin that was given to me the other night, a pin of gold with diamonds in it and the number "25" underneath. I had that given to me the other night in Cleveland at a Lincoln-Douglas debate anniversary, at which time Ed Brooke, the attorney general of Massachusetts, came down from Boston to speak, and the audience numbered about 2,000. They were mostly nonwhite. They gave me this pin, which I value as much as anything that I have ever possessed. The 22d district has in it the 18th ward, and they go Republican all the time.

So again I give my thanks to all and particularly to you, Mr. Speaker, for this great courtesy.

### Appalachian Regional Development Act of 1965

SPEECH  
OF

HON. JOHN F. BALDWIN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 2, 1965

The House in Committee of the Whole House on the State of the Union had under consideration the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region.

Mr. BALDWIN. Mr. Chairman, the sense of this amendment is simply to strike out the access roads paragraph of section 201. Section 201 does two things. The major portion of it is to authorize a system of development roads which will cost \$805 million. My amendment does not affect those. It leaves them in the bill intact. But in addition to that section 201 authorizes an additional 1,000 miles of local access roads, the Federal contribution to which will be \$35 million. My amendment would eliminate those local access roads. I would like to read



the description of local access roads on page 13, line 15, where it says:

In addition thereto, there are authorized to be constructed not in excess of one thousand miles of local access roads, that will serve specific recreational, residential, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

That means that local access roads can be constructed to serve a specific subdivision built by a contractor for his personal profit. One road can be constructed to serve a specific resort built by a resort owner for his personal profit. These local access roads can be constructed to serve a particular recreational area built by a speculator for his personal profit. In the history of the roadbuilding program of the United States of America the basis upon which we have provided Federal assistance is that roads will serve a group of people or an area and therefore the Federal-Interstate Highway System serves a large number of people and the Federal-State primary and secondary aid system serves areas and groups of people; the Federal urban road system serves areas and groups of people. But this is the first time that I know of where we have stated that we will authorize Federal funds to build a specific local access road to serve a particular industry built for profit by the owner of that industry or a particular subdivision built for profit by the owner of that subdivision or a particular resort built for profit by the owner of that resort.

This particular provision of \$35 million—and all my amendment strikes is \$35 million; it leaves the whole development road system of \$805 million—would be an open invitation to people who for profit would try to get sufficient political control at the State level and maneuver the allocation of Federal road funds for the construction of a specific road to serve their specific profitmaking enterprise. I do not believe Federal funds should be used for such a purpose.

### **L.B.J. Should Seek Advice of Whitener on Crime**

#### **EXTENSION OF REMARKS**

OF

### **HON. JOHN L. McMILLAN**

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1965

Mr. McMILLAN. Mr. Speaker, I have read the President's message on crime, and he has suggested the possibility of appointing a crime commission for the District of Columbia. I certainly hope the President will take into consideration that the House District Committee has held hours, days, weeks, and almost a year's hearings on the subject of crime in the District of Columbia. The Honorable BASIL WHITENER has presided over all these hearings, part of which were joint hearings with the Senate District Committee. Our committee had the privilege of hearing crime experts from almost every section of the United

States, including the Government law enforcement officials here in Washington. I certainly would suggest that the President give serious consideration to appointing Hon. BASIL WHITENER, who in my opinion is one of the outstanding attorneys in the United States and certainly one of the ablest attorneys in the Congress of the United States, as chairman if such a commission is appointed. Under unanimous consent I insert in the RECORD an editorial recently appearing in the Gastonia Gazette, in North Carolina, dated February 18, 1965, and hope that every Member of Congress will take time to read this editorial, including the President of the United States.

**L.B.J. SHOULD SEEK ADVICE OF WHITENER ON CRIME**

If President Johnson is sincere about wanting to launch a war against crime in the District of Columbia, he would do well to call for the file of Representative BASIL WHITENER on that subject.

The President said Monday that he plans to fight crime in Washington. He talked at length about a variety of experimental anti-crime proposals, ranging from the registration of pistols to an overhaul of the courts.

There was also indication that many of these recommendations would be included in another special message dealing with crime and juvenile delinquency on a national scale.

But, getting back to Representative WHITENER.

Crime in Washington has received as much or more of WHITENER's attention during his tenure in the capital as anything else. He served as chairman of the subcommittee which held hearings on the crime situation in the District of Columbia. He was the author of the omnibus crime bill which was approved in the House by a 2-to-1 vote but which failed to reach the Senate floor.

Mr. WHITENER, as a lawyer, is concerned, of course, about the judicial rights of a criminal. As a man who has watched the steady deterioration of justice in this country, he is equally concerned about the rights of the innocent.

He believes, with former Chief Judge Miller of the highest court of the District, "In our concern for criminals, we should not forget that nice people have some rights, too."

Why this concern over Washington? Is it any different from other cities?

It is our Nation's Capital. It is our showplace. And, as a showplace, it has brought forth many groans.

The record shows that Washington leads all other cities, regardless of size, in the number of aggravated assaults per 100,000 population.

It ranks second in the rate of robbery among all comparable cities with population of 1 million or less.

Washington is the only city in the Nation to which the Mallory rule applies in the prosecution of common-law crimes. This rule prohibits the detaining of a suspected criminal for longer than 6 hours without charging him.

WHITENER's omnibus bill would have made voluntary confessions admissible in evidence in criminal trials in Washington—the same as they have been and still are in North Carolina and all other States.

The bill restored to officers of the District the power to detain and question persons believed to have committed a crime, which is the same power used in all States.

Before the impact of the Mallory and Durham cases (the Durham rule relating to the use of a plea of insanity as a defense), crime decreased each year (1952-57) contrary to the national trend. But, since the Mallory case, crime has increased every year at a rate above the average national rate.

It is evident from the muggings, murders, and general rapid increase of crime in Washington that the word has gotten around. And the word is this: That the law in Washington is hamstrung, that the courts are lenient, and that if you are going to commit a crime then go to the District of Columbia where you have a better chance of getting off scot free.

No matter how one would like to gloss over statistics, no matter how much the apologists point to crime in other cities, Washington has accumulated a national reputation for being crime riddled.

Therefore, it is good to see that the President is interested in this particular blemish on the face of our Nation's Capital.

It is even more heartening that he is interested in the heavy trend of crime all over the country.

Like we said in the beginning, if he is really sincere, he'll call in a man who has trod that path before and who could give him some real sound expert advice—Representative BASIL WHITENER.

### **Tribute to Chairman Mendel Rivers, of the House Armed Services Committee**

#### **EXTENSION OF REMARKS**

OF

### **HON. RAY ROBERTS**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1965

Mr. ROBERTS. Mr. Speaker, there is no item of more importance to the Nation and to the Congress than our Nation's defense; and there are no two men more dedicated to maintaining our Nation's military superiority than are our colleagues MENDEL RIVERS, the chairman of the House Armed Services Committee, and BOB SIKES, an extremely influential member of the House Defense Appropriations Subcommittee.

On February 26, 1965, at the midwinter conference of the Reserve Officers Association here in Washington, Chairman RIVERS was named as the recipient of the "Minuteman of the Year Award." This award is the highest honor which can be conferred by the Reserve Officers Association and is annually awarded to the person most outstanding in service to the defense of America and to those who wear the uniform.

Congressman SIKES was chosen to present the Reserve Officers Association award to Chairman RIVERS. Mr. Speaker, under unanimous consent, I include in the RECORD the speech and tribute to Chairman RIVERS delivered by our colleague, BOB SIKES:

We meet in an hour of serious import. I speak not of world problems, not of threat of war in southeast Asia, nor even of domestic problems which headline the front pages of the Nation. I speak of the claim of the Pentagon of its right to inflict its will on Congress in the matter of strength and makeup of the Armed Forces despite the Constitution and despite the statutes. I speak of the danger to the Nation from a rebirth of the theory that those in the Pentagon can read the future from crystal ball computers and determine how our enemies will fight with what weapons, and upon what ground. We have made this mistake many times before—always with serious consequences to us. I speak of the danger which accompanies a



substitution of cold figures, for the judgment, experience and wisdom which are vested only in humans, never in machines. I would remind those in the high places that machines never won a war. It is the heart and spirit of the men behind the machines that make the difference. In so many battles and in so many wars fought by this country, it was reservists whose heart and spirit made the difference between defeat and victory.

We are now in a battle to preserve the historic concept of the Reserve Forces, without which no major war has been won in our time or no emergency overcome. It would be easy to be discouraged. The odds are crippling. As your distinguished executive director, Col. John T. Carlton, has stated, "Our association may not win in a power political struggle because we are neither equipped, manned, nor skilled in that field. We may not win a propaganda battle because news management and influence wielding are not within our capability." He could well have added, "The security of the Nation will suffer and our defenses will be weakened if we do not win." So, win we must.

There is much to be done. Time is running. The time of beginning is now; the place is here at this meeting. I would remind you there still is a Congress. That Congress can determine policy if it so chooses, and Congress has that responsibility. The final battle for the preservation of the reserve forces will be fought in Congress. Your Congressman will have a voice in what is done. He can decide between computers in the Pentagon or the reservists back home. We are not against change, not against progress, not against savings—but let's do it the right way.

We meet here tonight to honor a man whose voice has never been stilled by the power of the executive branch; a man whose voice reflects conscience, dedication and ability. He is the chairman of the powerful House Committee on Armed Services. That great committee reflects his leadership and is stronger because of his personality.

No one in Congress has done more to insure that the men and women of the Armed Forces and their families share in the benefits of the Nation's prosperity. He has been the leader in nearly every important aspect of improved military programs—pay and other personnel benefits, stronger reserve policies, airlift, hospital construction, and weapons procurement. He has figured in all the impressive lists of battles won in the Halls of Congress for the military in our time. He is credited with the startling pronouncement, too long delayed in recognition, that "the members of the Armed Forces are entitled to standards of living equal to the standards of living they are defending."

I came here with Mendel a long time ago. Like so many of us in Congress, I have grown accustomed to standing in his long shadow. There was a time when I, too, bucked the system, but I found it didn't pay. You don't swim upstream against this River. Those were the times when I was competing for installations and facilities on which Mendel had his eye. Things are better now. If he puts anything else in Charleston, the whole place will sink completely from sight just from the sheer weight of military installations. That means some of the rest of us can get into the picture now and then.

MENDEL RIVERS is a leader whose leadership the Nation needs. He is a leader whose knowledge has brought and will continue to bring a strengthened defense, whose understanding will promote morale among military personnel—and the American people will benefit. I am proud to count him one of my best friends. I do not have to remind you that he is one of your best friends. He is very well chosen indeed for the honor which is paid to him tonight. There could not have been a better choice. And back of him is a lovely little lady whom we all honor and love—Margaret Rivers.

The Minuteman of the Year Award is the highest honor which can be conferred by the Reserve Officers Association of the United States. It comes to very few people, each of whom was carefully chosen for outstanding achievement. In selecting MENDEL RIVERS to receive the Minuteman of the Year Award, our Association designates him as the person most outstanding in service to the defense of America and to those who wear the uniform. I take great pride in the name of the Reserve Officers Association of the United States in presenting this year's Minuteman of the Year Award to one of the great figures of the U.S. Congress, to you, MENDEL RIVERS, the citizen who has contributed most to national security.

### The Challenge of Citizenship

#### EXTENSION OF REMARKS

OF

**HON. PAGE BELCHER**

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 3, 1965*

Mr. BELCHER. Mr. Speaker, under leave granted, I insert in the Appendix of the RECORD the following speech by Donald L. McCorkell, Jr., of Tulsa, Okla., who won first prize in the Voice of Democracy contest in Oklahoma sponsored by the Veterans of Foreign Wars:

#### THE CHALLENGE OF CITIZENSHIP

(By Don McCorkell, Jr.)

Good citizenship is creative. Therein lies its challenge. The creative artist is challenged with a blank canvas, the creative writer with a clean sheet of paper, the creative citizen with an unmarked ballot. The challenge to each has three intrinsic characteristics—opportunity, right, and responsibility which exist implicitly in this order.

The artist has the opportunity to place on that blank canvas a picture of life as seen through his eyes. The writer has the opportunity to express on that clean sheet of paper the thoughts, the ideas, the emotions, and the convictions that are unique to him. The citizen has the opportunity in that ballot to choose his national leaders, to change old laws, and to have a part in planning the subsequent operations of his government. Herein lies the basic challenge of citizenship in a democracy. The citizen has the opportunity to think for himself, to mold his own government, and to choose his own destiny. The person who ignores the opportunities of citizenship destroys his freedoms of citizenship by this failure. When he says, "Let someone else do it," he justifies the dictator's view that the people either cannot or will not think for themselves. Passivity removes the citizen's opportunity; activity extends it. Thus, the first challenge of citizenship is opportunity.

As each has his opportunities, it follows that the artist, the writer, the citizen—each has his rights. The artist has the right to paint whatever he sees in the media he wishes. The writer has the right to express what he believes in the style he chooses. The citizen, however, has the most far-reaching right—the right of personal freedom. By upholding this right he becomes an architect of history. On July 4, 1776, several Americans declared their independence from England in order to protect what they considered their God-given right to "life, liberty, and the pursuit of happiness." Later after a long struggle and many personal sacrifices, these men—these men of courage and conviction—produced a bill of rights with safeguards for the rights of all

citizens—the rich, the poor; the educated, the uneducated; the young, the old; the famous, the forgotten—all were included. Hence were provisions established for the protection of the individual's rights. These rights—these rights we so often indifferently accept today—freedom of the press, freedom of speech, freedom of religion, freedom of assembly—constitute the very essence of effective democracy. For how can a government of the people function unless the people are free to exercise their right to govern? Thus the second challenge of citizenship is to uphold the rights of citizenship, to exercise them, and to retain them for posterity.

In addition to opportunities and rights, the artist, the writer, the citizen—each has responsibilities. The artist has the responsibility to create, not to initiate; the writer to write the truth. The citizen has the responsibility to avail himself of his opportunities and to be wise in the use of his rights. Frequently we hear, "I have the right," but too infrequently do we hear, "I have the responsibility." Yet every right has a parallel responsibility. We have the right to speak and the responsibility to speak truthfully. We have the right to assemble and the responsibility to do it peacefully. We have the right to vote and the responsibility to do it wisely. Thus, in a democracy, each citizen has the opportunity and the right to be a politician, but as a politician he has the responsibility to be a statesman. As citizens, when we ignore our responsibilities we destroy our opportunities and our rights.

Opportunity, right, and responsibility—in the creative exercise of these lies the real challenge of citizenship and in our acceptance of this challenge lies the destiny of our Nation.

### VA Domiciliary at Thomasville, Ga.

#### EXTENSION OF REMARKS

OF

**HON. ROBERT G. STEPHENS, JR.**

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 3, 1965*

Mr. STEPHENS. Mr. Speaker, I would like to bring to the attention of my colleagues a resolution that was introduced in the Georgia Senate by the Honorable Culver Kidd, senator from the 25th District of Georgia. This resolution brings out some very strong reasons why this domiciliary should remain open. I believe the Members of the House will find it of interest.

#### SENATE RESOLUTION 50

Resolution concerning the need for the continuation of the Veterans' Administration domiciliary located in Thomasville, Ga.; and for other purposes.

(By Senator Kidd, of the 25th District)

Whereas it is evident that the true facts concerning the operation of the Veterans' Administration domiciliary, located in Thomasville, Ga., have not been brought to the attention of the President of the United States; and

Whereas members of the Georgia General Assembly have spent many arduous hours of study and factfinding in order to ascertain the true picture in regard to the above mentioned domiciliary; and

Whereas the President of the United States enjoys the reputation of being a great humanitarian and serves as the leader of this Nation, the richest and most powerful of any ever established; and











Public Law 89-4  
89th Congress, S. 3  
March 9, 1965

## An Act

To provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Appalachian Regional Development Act of 1965".*

Appalachian Regional Development Act of 1965.

### FINDINGS AND STATEMENT OF PURPOSE

SEC. 2. The Congress hereby finds and declares that the Appalachian region of the United States, while abundant in natural resources and rich in potential, lags behind the rest of the Nation in its economic growth and that its people have not shared properly in the Nation's prosperity. The region's uneven past development, with its historical reliance on a few basic industries and a marginal agriculture, has failed to provide the economic base that is a vital prerequisite for vigorous, self-sustaining growth. The State and local governments and the people of the region understand their problems and have been working and will continue to work purposefully toward their solution. The Congress recognizes the comprehensive report of the President's Appalachian Regional Commission documenting these findings and concludes that regionwide development is feasible, desirable, and urgently needed. It is, therefore, the purpose of this Act to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis. The public investments made in the region under this Act shall be concentrated in areas where there is a significant potential for future growth, and where the expected return on public dollars invested will be the greatest. The States will be responsible for recommending local and State projects, within their borders, which will receive assistance under this Act. As the region obtains the needed physical and transportation facilities and develops its human resources, the Congress expects that the region will generate a diversified industry, and that the region will then be able to support itself, through the workings of a strengthened free enterprise economy.

79 STAT. 5.

79 STAT. 6.

## TITLE I—THE APPALACHIAN REGIONAL COMMISSION

### MEMBERSHIP AND VOTING

SEC. 101. (a) There is hereby established an Appalachian Regional Commission (hereinafter referred to as the "Commission") which shall be composed of one Federal member, hereinafter referred to as the "Federal Cochairman", appointed by the President by and with the advice and consent of the Senate, and one member from each participating State in the Appalachian region. The Federal Cochairman shall be one of the two Cochairmen of the Commission. Each State member may be the Governor, or his designee, or such other person as may be provided by the law of the State which he represents. The State members of the Commission shall elect a Cochairman of the Commission from among their number.

(b) Except as provided in section 105, decisions by the Commission shall require the affirmative vote of the Federal Cochairman and of a majority of the State members (exclusive of members representing States delinquent under section 105). In matters coming before the

Commission, the Federal Cochairman shall, to the extent practicable, consult with the Federal departments and agencies having an interest in the subject matter.

(c) Each State member shall have an alternate, appointed by the Governor or as otherwise may be provided by the law of the State which he represents. The President, by and with the advice and consent of the Senate, shall appoint an alternate for the Federal Cochairman. An alternate shall vote in the event of the absence, death, disability, removal, or resignation of the State or Federal representative for which he is an alternate.

(d) The Federal Cochairman shall be compensated by the Federal Government at level IV of the Federal Executive Salary Schedule of the Federal Executive Salary Act of 1964. His alternate shall be compensated by the Federal Government at not to exceed the maximum scheduled rate for grade GS-18 of the Classification Act of 1949, as amended, and when not actively serving as an alternate for the Federal Cochairman shall perform such functions and duties as are delegated to him by the Federal Cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by the law of such State.

78 Stat. 417.  
5 USC 2211.

78 Stat. 400.  
5 USC 1113.

79 STAT. 6.  
79 STAT. 7.

#### FUNCTIONS OF THE COMMISSION

SEC. 102. In carrying out the purposes of this Act, the Commission shall—

(1) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

(2) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

(3) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region;

(4) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation;

(5) encourage the formation of local development districts;

(6) encourage private investment in industrial, commercial, and recreational projects;

(7) serve as a focal point and coordinating unit for Appalachian programs;

(8) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences; and

(9) advise the Secretary of Commerce on applications for grants for administrative expenses to local development districts.

#### RECOMENDATIONS

SEC. 103. The Commission may, from time to time, make recommendations to the President and to the State Governors and appropriate local officials with respect to—



(1) the expenditure of funds by Federal, State, and local departments and agencies in the region in the fields of natural resources, agriculture, education, training, health and welfare, and other fields related to the purposes of this Act; and

(2) such additional Federal, State, and local legislation or administrative actions as the Commission deems necessary to further the purposes of this Act.

79 STAT. 7.

79 STAT. 8.

#### LIAISON BETWEEN FEDERAL GOVERNMENT AND THE COMMISSION

SEC. 104. The President shall provide effective and continuing liaison between the Federal Government and the Commission and a coordinated review within the Federal Government of the plans and recommendations submitted by the Commission pursuant to sections 102 and 103.

#### ADMINISTRATIVE EXPENSES OF THE COMMISSION

SEC. 105. (a) For the period ending on June 30 of the second full Federal fiscal year following the date of enactment of this Act, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid equally by the Federal Government and the States in the region. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

(b) Not to exceed \$2,200,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

#### ADMINISTRATIVE POWERS OF COMMISSION

SEC. 106. To carry out its duties under this Act, the Commission is authorized to—

(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions.

(2) appoint and fix the compensation of an executive director and such other personnel as may be necessary to enable the Commission to carry out its functions, except that such compensation shall not exceed the salary of the alternate to the Federal Cochairman on the Commission as provided in section 101. No member, alternate, officer, or employee of the Commission, other than the Federal Cochairman on the Commission, his staff, and his alternate and Federal employees detailed to the Commission under paragraph (3) shall be deemed a Federal employee for any purpose.

(3) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the Commission such personnel within his administrative jurisdiction as the Commission may need for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status.

(4) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency.

(5) make arrangements, including contracts, with any participating State government for inclusion in a suitable retirement and employee benefit system of such of its personnel as may not be eligible for, or continue in, another governmental retirement or employee benefit system, or otherwise provide for such coverage of its personnel. The Civil Service Commission of the United States is authorized to contract with the Commission for continued coverage of Commission employees, who at date of Commission employment are Federal employees, in the retirement program and other employee benefit programs of the Federal Government.

(6) accept, use, and dispose of gifts or donations of services or property, real, personal, or mixed, tangible or intangible.

(7) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

(8) maintain a temporary office in the District of Columbia and establish a permanent office at such a central and appropriate location as it may select and field offices at such other places as it may deem appropriate.

(9) take such other actions and incur such other expenses as may be necessary or appropriate.

#### INFORMATION

SEC. 107. In order to obtain information needed to carry out its duties, the Commission shall—

(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable, a Cochairman of the Commission, or any member of the Commission designated by the Commission for the purpose, being hereby authorized to administer oaths when it is determined by the Commission that testimony shall be taken or evidence received under oath;

(2) arrange for the head of any Federal, State, or local department or agency (who is hereby so authorized to the extent not otherwise prohibited by law) to furnish to the Commission such information as may be available to or procurable by such department or agency; and

(3) keep accurate and complete records of its doings and transactions which shall be made available for public inspection, and for the purpose of audit and examination by the Comptroller General or his duly authorized representatives.

#### PERSONAL FINANCIAL INTERESTS

SEC. 108. (a) Except as permitted by subsection (b) hereof, no State member or alternate and no officer or employee of the Commission shall participate personally and substantially as member, alternate, officer, or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization (other than a State or political subdivision thereof) in



which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Any person who shall violate the provisions of this subsection shall be fined not more than \$10,000, or imprisoned not more than two years, or both.

(b) Subsection (a) hereof shall not apply if the State member, alternate, officer, or employee first advises the Commission of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by the Commission that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Commission may expect from such State member, alternate, officer, or employee.

(c) No State member or alternate shall receive any salary, or any contribution to or supplementation of salary for his services on the Commission from any source other than his State. No person detailed to serve the Commission under authority of paragraph (4) of section 106 shall receive any salary or any contribution to or supplementation of salary for his services on the Commission from any source other than the State, local, or intergovernmental department or agency from which he was detailed or from the Commission. Any person who shall violate the provisions of this subsection shall be fined not more than \$5,000, or imprisoned not more than one year, or both.

(d) Notwithstanding any other subsection of this section, the Federal Cochairman and his alternate on the Commission and any Federal officers or employees detailed to duty with it pursuant to paragraph (3) of section 106 shall not be subject to any such subsection but shall remain subject to sections 202 through 209 of title 18, United States Code.

Conflict-of-interests.

76 Stat. 1121.

(e) The Commission may, in its discretion, declare void and rescind any contract, loan, or grant of or by the Commission in relation to which it finds that there has been a violation of subsection (a) or (c) of this section, or any of the provisions of sections 202 through 209, title 18, United States Code.

## TITLE II—SPECIAL APPALACHIAN PROGRAMS

### PART A—NEW PROGRAMS

#### APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

SEC. 201. (a) The Secretary of Commerce (hereafter in this section referred to as the "Secretary") is authorized to assist in the construction of an Appalachian development highway system serving the Appalachian region (the length of which shall not exceed two thousand three hundred and fifty miles. In addition thereto, there are authorized to be constructed not in excess of one thousand miles of local access roads, that will serve specific recreational, residential, commercial, industrial, or other like facilities or will facilitate a school consolidation program). The system, in conjunction with the Interstate System and other Federal-aid highways in the region will provide a highway system which will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access. The provisions of title 23, United States Code, that are applicable to Federal-aid primary highways, and which the Secretary determines are not inconsistent

72 Stat. 885.

Submission of  
recommendations.

with this Act, shall apply to the Appalachian development highway system, and the local access roads.

(b) As soon as feasible, the Commission shall submit to the Secretary its recommendations with respect to (1) the general corridor location and termini of the development highways, (2) the designation of local access roads to be constructed, (3) priorities for construction of the local access roads and of the major segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such recommendations, he shall have obtained the recommendations of the State highway department of the State which he represents.

Approval au-  
thority.

(c) The Secretary shall have authority to approve in whole or in part such recommendations or to require modifications or revisions thereof. In no event shall the Secretary approve any recommendations for any construction which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriation authorizations in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and shall be required to be maintained by the State.

72 Stat. 885.

(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of mineral resource materials indigenous to the Appalachian region.

Use of coal de-  
rivatives.

(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

ederal assist-  
ance, limita-  
tion.

(f) Federal assistance to any construction project under this section shall not exceed 50 per centum of the costs of such project, unless the Secretary determines, pursuant to the recommendation of the Commission, that assistance in excess of such percentage is required in furtherance of the purposes of this Act, but in no event shall such Federal assistance exceed 70 per centum of such costs.

Appropriation.

(g) To carry out this section, there is hereby authorized to be appropriated \$840,000,000.

#### DEMONSTRATION HEALTH FACILITIES

78 Stat. 447.

42 USC 2661  
note.

SEC. 202. (a) In order to demonstrate the value of adequate health and medical facilities to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction, equipment, and operation of multicounty demonstration health facilities, including hospitals, regional health diagnostic and treatment centers, and other facilities necessary to health. Grants for such construction (including initial equipment) shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291-291z) and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), without regard to any provisions therein relating to appropriation authorization ceiling or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) No grant under this section for construction (including initial equipment) shall exceed 80 per centum of the cost of the project. Not to exceed \$41,000,000 of the funds authorized in section 401 shall be available for construction grants under this section.



(c) Grants under this section for operation (including equipment other than initial equipment) of a project may be made up to 100 per centum of the costs thereof for the two-year period beginning on the first day such project is in operation as a health facility. For the next three years of operations such grants shall not exceed 50 per centum of such costs. No grants for operation of a project shall be made after five years following the commencement of such operations. Not to exceed \$28,000,000 of the funds authorized in section 401 of this Act shall be available for operating grants under this section.

Operating grants,  
limitation.

#### LAND STABILIZATION, CONSERVATION, AND EROSION CONTROL

SEC. 203. (a) In order to provide for the control and prevention of erosion and sediment damages in the Appalachian region and to promote the conservation and development of the soil and water resources of the region, the Secretary of Agriculture is authorized to enter into agreements of not more than ten years with landowners, operators, and occupiers, individually or collectively, in the Appalachian region determined by him to have control for the period of the agreement of the lands described therein, providing for land stabilization, erosion and sediment control, and reclamation through changes in land use, and conservation treatment including the establishment of practices and measures for the conservation and development of soil, water, woodland, wildlife, and recreation resources.

Conservation  
agreements.

(b) The landowner, operator, or occupier shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the appropriate and safe land uses and conservation treatment mutually agreed by the Secretary and the landowner operator, or occupier to be needed on the lands for which the plan was prepared.

(c) Such plan shall be incorporated in an agreement under which the landowner, operator, or occupier shall agree with the Secretary of Agriculture to carry out the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

(d) In return for such agreement by the landowner, operator, or occupier the Secretary of Agriculture shall be authorized to furnish financial and other assistance to such landowner, operator, or occupier in such amounts and subject to such conditions as the Secretary determines are appropriate and in the public interest for the carrying out of the land uses and conservation treatment set forth in the agreement: *Provided*, That grants hereunder shall not exceed 80 per centum of the cost of carrying out such land uses and conservation treatment on fifty per cent of the land occupied by such owner, operator, or occupier.

(e) The Secretary of Agriculture may terminate any agreement with a landowner, operator, or occupier by mutual agreement if the Secretary determines that such termination would be in the public interest, and may agree to such modification of agreements previously entered into hereunder as he deems desirable to carry out the purposes of this section or to facilitate the practical administration of the program authorized herein.

Modification or  
termination of  
agreements.

(f) Notwithstanding any other provision of law, the Secretary of Agriculture, to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (2) surrender of any such history and allotments.

Allotment his-  
tories, pres-  
ervation.

(g) The Secretary of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section.

(h) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service, and the State and local committees provided for in section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(b)), and is authorized to utilize the facilities, services, and authorities of the Commodity Credit Corporation. The Corporation shall not make any expenditures to carry out the provisions of this subsection unless funds specifically appropriated for such purpose have been transferred to it.

(i) Not to exceed \$17,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

52 Stat. 31.  
16 USC 590h.

Limitation.

#### TIMBER DEVELOPMENT ORGANIZATIONS

SEC. 204. (a) In order that the region shall more fully benefit from the timber stands that are one of its prime assets, the Secretary of Agriculture is authorized to—

(1) provide technical assistance in the organization and operation, under State law, of private timber development organizations having as their objective the carrying out of timber development programs to improve timber productivity and quality, and increase returns to landowners through establishment of private nonprofit corporations, which on a self-supporting basis may provide (A) continuity of management, good cutting practices, and marketing services, (B) physical consolidation of small holdings or administrative consolidation for efficient management under long-term agreement, (C) management of forest lands, donated to the timber development organizations for demonstrating good forest management, on a profitable and taxpaying basis, and (D) establishment of a permanent fund for perpetuation of the work of the corporations to be composed of donations, real or personal, for educational purposes.

(2) provide not more than one-half of the initial capital requirements of such timber development organizations through loans under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1926 et seq.). Such loans shall not be used for the construction or acquisition of facilities for manufacturing, processing, or marketing forest products, or for physical consolidation of small timber holdings authorized by (1)(B) above except for the establishment demonstration units.

(b) Not to exceed \$5,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

75 Stat. 307.

Limitation.

#### MINING AREA RESTORATION

SEC. 205. (a) In order to further the economic development of the region by rehabilitating areas presently damaged by deleterious mining practices, the Secretary of the Interior is authorized to—

(1) make financial contributions to States in the region to seal and fill voids in abandoned coal mines, and to reclaim and rehabilitate existing strip and surface mine areas, in accordance with provisions of the Act of July 15, 1955 (30 U.S.C. 571 et seq.), to the extent applicable, without regard to section 2(b) thereof (30 U.S.C. 572(b)) or to any provisions therein limiting assistance to anthracite coal formation, or to the Commonwealth of Pennsylvania. Grants under this paragraph shall be made

69 Stat. 352.

76 Stat. 934.



wholly out of funds specifically appropriated for the purposes of carrying out this Act.

(2) plan and execute projects for extinguishing underground and outcrop mine fires in the region in accordance with the provisions of the Act of August 31, 1954 (30 U.S.C. 551 et seq.), without regard to any provisions therein relating to annual appropriation authorization ceilings. Grants under this paragraph shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act. 68 Stat. 1009.

(3) expand and accelerate fish and wildlife restoration projects in the region in accordance with the provisions of the Act of September 2, 1937 (16 U.S.C. 669 et seq.), and the Act of August 9, 1950 (16 U.S.C. 777 et seq.), without regard to any provisions therein relating to apportionments among the States and to limitations on the availability of funds. The expenses of projects under this paragraph shall be paid solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the apportionments among the States pursuant to any other provisions of law. 50 Stat. 917. 64 Stat. 430.

(b) For the fiscal years 1966 and 1967, notwithstanding any other provision of law, the Federal share of mining area restoration projects carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. Federal share of costs.

(c) The Congress hereby declares its intent to provide for a study of a comprehensive, long-range program for the purpose of reclaiming and rehabilitating strip and surface mining areas in the United States. To this general end, the Secretary of the Interior shall, in full cooperation with the Secretary of Agriculture, the Tennessee Valley Authority, and other appropriate Federal, State, and local departments and agencies, and with the Commission, make a survey and study of strip and surface mining operations and their effects in the United States. The Secretary of the Interior shall submit to the President his recommendations for a long-range comprehensive program for reclamation and rehabilitation of strip and surface mining areas in the United States and for the policies under which the program should be conducted, and the President shall submit these to the Congress, together with his recommendations, not later than July 1, 1967. By July 1, 1966, the Secretary shall make an interim report to the Commission summarizing his findings to that date on those aspects of strip and surface mining operations in the region that are most urgently in need of attention. Such study and recommendations shall include, but not be limited to, a consideration of the following matters— Strip and surface mining areas, study and survey. Report to President for transmittal to Congress.

(1) the nature and extent of strip and surface mining operations in the United States and the conditions resulting therefrom;

(2) the ownership of the real property involved in strip and surface mining operations;

(3) the effectiveness of past action by States or local units of government to remedy the adverse effects of strip and surface mining operation by financial or regulatory measures, and requirements for appropriate State legislation, including adequate enforcement thereof, to provide for proper reclamation and rehabilitation of areas which may be strip and surface mined in the future;

(4) the public interest in and public benefits which may result from reclamation, rehabilitation, and appropriate development and use of areas subjected to strip and surface mining operations,

including (A) economic development growth, (B) public recreation, (C) public health and safety, (D) water pollution, stream sedimentation, erosion control, and flood control, (E) highway programs, (F) fish and wildlife protection and restoration, (G) scenic values, and (H) forestry and agriculture;

(5) the appropriate roles of Federal, State, and private interests in the reclamation and rehabilitation of strip and surface mining areas and the relative costs to be borne by each, including specific consideration of (A) the extent, if any, to which strip and surface mine operators are unable to bear the cost of remedial action within the limits imposed by the economics of such mining activity, and (B) the extent to which the prospective value of lands and other natural resources, after remedial work has been completed, would be inadequate to justify the landowners doing the remedial work at their expense; and

(6) the objectives and the total overall costs of a program for accomplishing the reclamation and rehabilitation of existing strip and surface mining areas in the United States, giving adequate consideration to (A) the economic benefits in relation to costs, (B) the prevention of future devastation of reclaimed and rehabilitated areas, (C) the avoidance of unwarranted financial gain to private owners of improved property, and (D) the types of aid required to accomplish such reclamation and rehabilitation.

Limitation.

(d) Not to exceed \$36,500,000 of the funds authorized in section 401 of this Act shall be available to carry out this section. No moneys authorized by this Act shall be expended for the purposes of reclaiming, improving, grading, seeding, or reforestation of strip-mined areas (except on lands owned by Federal, State, or local bodies of government) until authorized by law after completion of the study and report to the President as provided in subsection (c) of this section.

#### WATER RESOURCE SURVEY

SEC. 206. (a) The Secretary of the Army is hereby authorized and directed to prepare a comprehensive plan for the development and efficient utilization of the water and related resources of the Appalachian region, giving special attention to the need for an increase in the production of economic goods and services within the region as a means of expanding economic opportunities and thus enhancing the welfare of its people, which plan shall constitute an integral and harmonious component of the regional economic development program authorized by this Act.

Flood control,  
etc.

(b) This plan may recommend measures for the control of flood, the regulation of the rivers to enhance their value as sources of water supply for industrial and municipal development, the generation of hydroelectric power, the prevention of water pollution by drainage from mines, the development and enhancement of the recreational potentials of the region, the improvement of the rivers for navigation where this would further industrial development at less cost than would the improvement of other modes of transportation, the conservation and efficient utilization of the land resource, and such other measures as may be found necessary to achieve the objectives of this section.

(c) To insure that the plan prepared by the Secretary of the Army shall constitute a harmonious component of the regional program, he shall consult with the Commission and the following: the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Health, Education, and Welfare, the Secretary of the Interior, the Tennessee Valley Authority, and the Federal Power Commission.



(d) The plan prepared pursuant to this section shall be submitted to the Commission. The Commission shall submit the plan to the President with a statement of its views, and the President shall submit the plan to the Congress with his recommendations not later than December 31, 1968.

(e) The Federal agencies referred to in subsection (c) of this section are hereby authorized to assist the Secretary of the Army in the preparation of the plan authorized by this section, and the Secretary of the Army is authorized to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to the preparation of this plan and on such terms as he may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

Contract authority.

(f) The plan to be prepared by the Secretary of the Army pursuant to this section shall also be coordinated with all comprehensive river basin plans heretofore or hereafter developed by United States study commissions, interagency committees, or similar planning bodies, for those river systems draining the Appalachian region.

(g) Not to exceed \$5,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

## PART B—SUPPLEMENTATIONS AND MODIFICATIONS OF EXISTING PROGRAMS

### VOCATIONAL EDUCATION FACILITIES

SEC. 211. (a) In order to provide basic facilities to give the people of the region the training and education they need to obtain employment, the Secretary of Health, Education, and Welfare is authorized to make grants for construction of the school facilities needed for the provision of vocational education in areas of the region in which such education is not now adequately available. Such grants shall be made in accordance with the provisions of the Vocational Education Act of 1963 (77 Stat. 403), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

20 USC 35 note.

(b) Not to exceed \$16,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

### SEWAGE TREATMENT WORKS

SEC. 212. (a) In order to provide facilities to assist in the prevention of pollution of the region's streams and to protect the health and welfare of its citizens, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction of sewage treatment works in accordance with the provisions of the Federal Water Pollution Control Act (33 U.S.C. 466 et seq.), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States pursuant to any other provision of law.

70 Stat. 498;  
75 Stat. 204.

(b) Not to exceed \$6,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

AMENDMENTS TO HOUSING ACT OF 1954

SEC. 213. (a) Section 701(a) of the Housing Act of 1954 (40 U.S.C. 461(a)) is amended by striking the word "and" at the end of paragraph (7), by substituting for the period at the end of paragraph (8) the phrase "; and", and by adding a new paragraph (9) to read as follows:

"(9) the Appalachian Regional Commission, established by the Appalachian Regional Development Act of 1965, for comprehensive planning for the Appalachian region as defined by section 403 of such Act."

(b) Section 701(b) of the Housing Act of 1954 (40 U.S.C. 461(b)), is amended by adding before the period at the end of the first sentence the following: "to States participating in planning for Appalachian regional programs, for expenses incurred in the course of such planning, or to the Appalachian Regional Commission".

SUPPLEMENTS TO FEDERAL GRANT-IN-AID PROGRAMS

SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the Secretary of Commerce is authorized, pursuant to specific recommendations of the Commission approved by him and after consultation with the appropriate Federal officials, to allocate funds appropriated to carry out this section to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of such Federal grant-in-aid programs. Funds so allocated shall be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such project otherwise authorized by the applicable law. Funds shall be so allocated for Federal grant-in-aid programs for which funds are available under the Act authorizing such programs. Such allocations shall be available without regard to any appropriation authorization ceilings in such Act.

(b) The Federal portion of such costs shall not be increased in excess of the percentages established by regulations promulgated by the Secretary of Commerce, and such regulations shall in no event authorize the Federal portion of such costs to exceed 80 per centum thereof.

(c) The term "Federal grant-in-aid programs" as used in this section means those Federal grant-in-aid programs authorized by this Act for the construction or equipment of facilities, and all other Federal grant-in-aid programs authorized on or before the effective date of this Act by Acts other than this Act for the acquisition of land and the construction or equipment of facilities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; title VI of the Public Health Service Act; Vocational Education Act of 1963; Library Services Act; Federal Airport Act; part IV of title III of the Communications Act of 1934; Higher Education Facilities Act of 1963; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958. The term shall not include (A) the program for the construction of the development highway system authorized by section 201

73 Stat. 678;  
78 Stat. 792,  
793.

"Federal grant-in-aid programs."

33 USC 466 note;  
16 USC 1001 note;  
42 USC 291; 20 USC  
35 note, 351 note;  
49 USC 1101 note;  
47 USC 390-397;  
20 USC 701 note;  
16 USC 4601-4  
note; 20 USC 401  
note.



of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act.

(d) Not to exceed \$90,000,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

## PART C—GENERAL PROVISIONS

### MAINTENANCE OF EFFORT

SEC. 221. No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds, exclusive of Federal funds, for the benefit of the area within the State located in the region are maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act. In computing the average level of expenditure for its last two fiscal years, a State's past expenditure for participation in the National System of Interstate and Defense Highways shall not be included. The Commission shall recommend to the President or such Federal officer or officers as the President may designate, a lesser requirement when it finds that a substantial population decrease in that portion of a State which lies within the region would not justify a State expenditure equal to the average level of the last two years or when it finds that a State's average level of expenditure, within an individual program, has been disproportionate to the present need for that portion of the State which lies within the region.

### CONSENT OF STATES

SEC. 222. Nothing contained in this Act shall be interpreted as requiring any State to engage in or accept any program under this Act without its consent.

### PROGRAM IMPLEMENTATION

SEC. 223. A program and projects authorized under any section of this title shall not be implemented until (1) the Commission has consulted with the appropriate official or officials concerned with such program and projects as may be designated by the Governor or Governors of the State or States involved and has obtained the recommendations of such official or officials with respect to such program and projects and (2) plans with respect to such program and projects have been recommended by the Commission and have been submitted to and approved or modified by the President or such Federal officer or officers as the President may designate.

### PROGRAM DEVELOPMENT CRITERIA

SEC. 224. (a) In developing recommendations on the programs and projects to be given assistance under this Act, and in establishing within those recommendations a priority ranking of the requests for assistance presented to the Commission, the Commission shall follow procedures that will insure consideration of the following factors:

(1) the relationship of the project or class of projects to overall regional development including its location in an area determined by the State have a significant potential for growth;

(2) the population and area to be served by the project or class of projects including the relative per capita income and the unemployment rates in the area;

(3) the relative financial resources available to the State or political subdivisions or instrumentalities thereof which seek to undertake the project;

(4) the importance of the project or class of projects in relation to other projects or classes of projects which may be in competition for the same funds;

(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic and social development of the area served by the project.

(b) No financial assistance shall be authorized under this Act to be used (1) in relocating any establishment or establishments from one area to another; (2) to finance the cost of industrial plants, commercial facilities, machinery, working capital, or other industrial facilities or to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors; (3) to finance the cost of facilities for the generation, transmission, or distribution of electric energy; or (4) to finance the cost of facilities for the production, transmission, or distribution of gas (natural manufactured, or mixed).

### TITLE III—ADMINISTRATION

#### LOCAL DEVELOPMENT DISTRICTS—CERTIFICATION

SEC. 301. For the purposes of this Act, a "local development district" shall be an entity certified to the Commission either by the Governor of the State or States in which such entity is located, or by the State officer designated by the appropriate State law to make such certification, as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region. No entity shall be certified as a local development district for the purposes of this Act unless it is one of the following:

(1) a nonprofit incorporated body organized or chartered under the law of the State in which it is located;

(2) a nonprofit agency or instrumentality of a State or local government;

(3) a nonprofit agency or instrumentality created through an interstate compact; or

(4) a nonprofit association or combination of such bodies, agencies, and instrumentalities.

#### GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS

SEC. 302. (a) The Secretary of Commerce is authorized—

(1) either directly or through arrangements with the Commission, to make grants for administrative expenses to local development districts. The amount of any such grant shall not exceed 75 per centum of such expenses in any one fiscal year. No grants for administrative expenses shall be made to a local development district for a period in excess of three years beginning on the date the initial grant is made to such development district. The local contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

(2) either directly or through arrangements with appropriate public or private organizations (including the Commission), to



provide funds for investigation, research, studies, and demonstration projects, but not for construction purposes, which will further the purposes of this Act.

(b) Recipients of Federal assistance under the provisions of this section shall, in accordance with regulations to be promulgated by the Secretary of Commerce, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the Secretary of Commerce. The records of the recipient shall be available for audit with respect to such grants by the Secretary of Commerce and the Comptroller General, or their duly authorized representatives.

Records.  
Maintenance  
and availability.

(c) Not to exceed \$5,500,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

(d) No part of any appropriated funds may be expended pursuant to authorization given by this Act involving any scientific or technological research or development activity unless such expenditure is conditioned upon provisions effective to insure that all information, copyrights, uses, processes, patents, and other developments resulting from that activity will be made freely available to the general public. Nothing contained in this subsection shall deprive the owner of any background patent relating to any such activity, without his consent, of any right which that owner may have under that patent. Whenever any information, copyright, use, process, patent or development resulting from any such research or development activity conducted in whole or in part with appropriated funds expended under authorization of this Act is withheld or disposed of by any person, organization, or agency in contravention of the provisions of this subsection, the Attorney General shall institute, upon his own motion or upon request made by any person having knowledge of pertinent facts, an action for the enforcement of the provisions of this subsection in the district court of the United States for any judicial district in which any defendant resides, is found, or has a place of business. Such court shall have jurisdiction to hear and determine such action, and to enter therein such orders and decrees as it shall determine to be required to carry into effect fully the provisions of this subsection. Process of the district court for any judicial district in any action instituted under this subsection may be served in any other judicial district of the United States by the United States marshal thereof. Whenever it appears to the court in which any such action is pending that other parties should be brought before the court in such action, the court may cause such other parties to be summoned from any judicial district of the United States.

Research and  
development  
activities.

#### PROJECT APPROVAL

SEC. 303. An application for a grant or for any other assistance for a program or project under this Act shall be made only by a State, a political subdivision of a State, or a local development district. Each such application shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate such application for approval. Only applications for programs and projects which are approved by a State member as meeting the requirements for assistance under the Act shall be approved for assistance by the Commission.

#### ANNUAL REPORT

SEC. 304. Not later than six months after the close of each fiscal year, the Commission shall prepare and submit to the Governor of each State in the region and to the President, for transmittal to the

Congress, a report on the activities carried out under this Act during such year.

## TITLE IV—APPROPRIATIONS AND MISCELLANEOUS PROVISIONS

### AUTHORIZATION OF APPROPRIATIONS

SEC. 401. In addition to the appropriations authorized in section 201 for the Appalachian development highway system, there is hereby authorized to be appropriated for the period ending June 30, 1967, to be available until expended, not to exceed \$252,400,000 to carry out this Act.

### APPLICABLE LABOR STANDARDS

SEC. 402. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting and decorating, of projects, buildings, and works which are financially assisted through the Federal funds authorized under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

### DEFINITION OF APPALACHIAN REGION

SEC. 403. As used in this Act, the term "Appalachian region" or "the region" means that area of the eastern United States consisting of the following counties (including any political subdivision located within such area):

Alabama.

In Alabama, the counties of Bibb, Blount, Calhoun, Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, De Kalb, Elmore, Etowah, Fayette, Franklin, Jackson, Jefferson, Lauderdale, Lawrence, Limestone, Madison, Marion, Marshall, Morgan, Randolph, Saint Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, and Winston;

Georgia.

In Georgia, the counties of Banks, Barrow, Bartow, Carroll, Catoosa, Chattooga, Cherokee, Dade, Dawson, Douglas, Fannin, Floyd, Forsyth, Franklin, Gilmer, Gordon, Gwinnett, Habersham, Hall, Haralson, Heard, Jackson, Lumpkin, Madison, Murray, Paulding, Pickens, Polk, Rabun, Stephens, Towns, Union, Walker, White, and Whitfield;

Kentucky.

In Kentucky, the counties of Adair, Bath, Bell, Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton, Cumberland, Elliott, Estill, Fleming, Floyd, Garrard, Green, Greenup, Harlan, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Lincoln, McCreary, Madison, Magoffin, Martin, Menifee, Monroe, Montgomery, Morgan, Owsley, Perry, Pike, Powell, Pulaski, Rockcastle, Rowan, Russell, Wayne, Whitley, and Wolfe;

49 Stat. 1011;  
78 Stat. 238.  
5 USC 133z-15  
note.  
63 Stat. 108.



In Maryland, the counties of Allegany, Garrett, and Washington; Maryland.

In North Carolina, the counties of Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Davie, Forsyth, Graham, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey; North Carolina.

In Ohio, the counties of Adams, Athens, Belmont, Brown, Carroll, Clermont, Coshocton, Gallia, Guernsey, Harrison, Highland, Hocking, Holmes, Jackson, Jefferson, Lawrence, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross, Scioto, Tuscarawas, Vinton, and Washington; Ohio.

In Pennsylvania, the counties of Allegheny, Armstrong, Beaver, Bedford, Blair, Bradford, Butler, Cambria, Cameron, Carbon, Centre, Clarion, Clearfield, Clinton, Columbia, Crawford, Elk, Erie, Fayette, Forest, Fulton, Greene, Huntingdon, Indiana, Jefferson, Juniata, Lackawanna, Lawrence, Luzerne, Lycoming, McKean, Mercer, Mifflin, Monroe, Montour, Northumberland, Perry, Pike, Potter, Schuylkill, Snyder, Somerset, Sullivan, Susquehanna, Tioga, Union, Venango, Warren, Washington, Wayne, Westmoreland, and Wyoming; Pennsylvania.

In South Carolina, the counties of Anderson, Cherokee, Greenville, Oconee, Pickens, and Spartanburg; South Carolina.

In Tennessee, the counties of Anderson, Bledsoe, Blount, Bradley, Campbell, Carter, Claiborne, Clay, Cocke, Coffee, Cumberland, De Kalb, Fentress, Franklin, Grainger, Greene, Grundy, Hamblen, Hamilton, Hancock, Hawkins, Jackson, Jefferson, Johnson, Knox, Loudon, McMinn, Macon, Marion, Meigs, Monroe, Morgan, Overton, Pickett, Polk, Putnam, Rhea, Roane, Scott, Sequatchie, Sevier, Smith, Sullivan, Unicoi, Union, Van Buren, Warren, Washington, and White; Tennessee.

In Virginia, the counties of Alleghany, Bath, Bland, Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd, Giles, Grayson, Highland, Lee, Pulaski, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe; Virginia.

All the counties of West Virginia: West Virginia.

*Provided*, That the Commission is hereby authorized and directed to study and consider, in consultation with the Governor of the State of New York or an appropriate official or officials designated by him, the inclusion of such counties of the State of New York as are contiguous to the Appalachian region as defined in this section and counties contiguous thereto in the Appalachian region for the purposes of this Act; and if the Commission shall decide after such consultation, that these counties share the social and economic characteristics of the region, and that the inclusion of these counties would further the purposes of this Act as set forth in section 2, then the Commission is authorized and directed to invite the State of New York to participate in the Commission on an appropriate basis: *Provided further*, That the Commission may extend the invitation to the State of New York for inclusion of such of the described counties the inclusion of which would further the purposes of the Act: *And provided further*, That if such invitation is duly accepted by the State of New York, New York. Study.

those counties shall be included in "the region" or "the Appalachian region" for the purposes of this Act.

#### SEVERABILITY

SEC. 404. If any provision of this Act, or the applicability thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

#### TERMINATION

SEC. 405. This Act shall cease to be in effect on July 1, 1971.

Approved March 9, 1965.

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#### LEGISLATIVE HISTORY:

HOUSE REPORT No. 51 (Comm. on Public Works).  
SENATE REPORT No. 13 (Comm. on Public Works).  
CONGRESSIONAL RECORD, Vol. 111 (1965):  
    Jan. 29: Considered in Senate.  
    Feb. 1: Considered and passed Senate.  
    Mar. 1,2: Considered in House.  
    Mar. 3: Considered and passed House.











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